



GREATER
KOKSTAD
MUNICIPALITY

PROVINCE OF KWAZULU-NATAL

2015/2016 ANNUAL REPORT: VOLUME ONE

Greater Kokstad Municipality

6/30/16

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYORS FOREWORD

This is indeed an honor for me to present what should be my last Annual Report as the political head of the Greater Kokstad Municipality. I am doing this mindful of legal requirements as contained in both the Municipal Finance Management Act and the Municipal Systems Act.

As the political leadership in preparing the Annual Report we were expected to ensure that amongst others it covers the following:

- It provides an analytical detailed record of the activities of the municipality during the financial year that the annual report relates to;
- It provides the detailed report on the performance of the Municipality against the approved budget as well as targets set in the IDP and the SDBIP;
- It promotes the culture of accountability to the local community with regards to the decisions that have been made during the year and;
- Measures to be undertaken by the Municipality to improve performance, particularly in areas where performance found to be lacking.

As the Mayor of the Greater Kokstad Municipality I am positive that the Annual Report presented herein covers all the important points mentioned above and thus in compliance with both Section 121 of the Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act, Act 32 of 2000. Most of the progress reports highlighted here was also tabled in our Annual Mayoral Imbizo as a way of strengthening our public participation. Going forward the municipality will be shouldering a responsibility of ensuring that all bottlenecks highlighted by the Auditor General are addressed in full capacity and the new Council will continue with our vision of delivering the Clean Audit for the people of Kokstad.

In conclusion, I want to thank the Council, the Management, the staff, the stakeholders and the entire community of Kokstad whose contribution has produced this report. I also thank the undivided support that I have received during my term as the Mayor of Kokstad. With those words, I table this Annual Report.

Yours in Service Delivery

CLLR B. MTOLO

HIS WORSHIP THE MAYOR OF GREATER KOKSTAD MUNICIPALITY

COMPONENT B: MUNICIPAL MANAGER EXECUTIVE SUMMARY

1.1. EXECUTIVE SUMMARY

Section 121 of the Municipal Finance Management Act (MFMA) read with section 46 of the Municipal Systems Act, Act 32 of 2000 regulates the manner in which the Accounting Officer should prepare both the Annual Report and the Annual Performance Report of the Municipality. In compliance with these pieces of legislation it is indeed a privilege for me to join the Mayor as our political Head and the entire Council to present this Annual Report to our stakeholders especially the community of Kokstad who we are accountable to.

The preparation process of this report has been done in accordance with the guidelines provided by the Department of Cooperative Governance and Traditional Affairs.

The entire process was established from our strategic planning process adopted by the Council and was supported by the Council as it is in line with our IDP Process Plan which is annually submitted to COGTA. Extensive public participation was done through our IDP and Budget Roadshows, and that culminated in a consolidated SDBIP document that was going to be implemented as a vehicle of service delivery under the following National KPAs

- Basic Service Delivery and Infrastructure;
- Local Economic Development;
- Financial Viability and Management;
- Institutional Development and Transformation;
- Good Governance and Public Participation;

The above KPAs were strengthened by the introduction of Back to Basics Program in 2014, and subsequently serve as the guiding document for an Accounting Officer to monitor the service delivery of the municipality.

I therefore submit this Annual Report to the Council, stakeholders, and the public at large.

MR AW VELEM

ACTING MUNICIPAL MANAGER OF GREATER KOKSTAD MUNICIPALITY

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Greater Kokstad Municipality provides Electricity, Refuse Removal, & Housing as part of the Basic Services. It also provides Roads, Storm-water & Drainage together with Local Economic Development and the approval of local building plans to local communities.

The Greater Kokstad Council adopted its development vision, mission and core values as follows:

“Together building a caring and economically vibrant city with citizens’ living in a secure healthy and comfortable Environment”

The formulation of Greater Kokstad Municipal Vision is based on the objective of the Local Government as enshrined on the Constitution of the Republic of South Africa, Act 108 of 1986: Section 152 which prescribes the following as the principal mandates of the Local Government.

- To promote democratic and local government;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and,
- To encourage the involvement of communities and community organizations in the matter of local government.

The mission statement of Greater Kokstad Municipality is:

Providing sustainable services to communities through optimal and professional deployment of resources and enhancing economic development, safe and healthy environment

1.2.1. VALUES OF GREATER KOKSTAD MUNICIPALITY

- Caring: Showing compassion whilst delivering services to its citizens
- Accountability: Taking responsibility for decisions and actions taken.
- Transparency and honesty: openness and public involvement in municipal affairs.
- Integrity: professionalism, a commitment to ethics, and focus on justice and fairness and accountability.
- Efficiency: results orientation, cost effectiveness, superior performance, customer satisfaction.

- Professionalism: executing the mandate with diligence.
- Fairness: treat all those who do work with the municipality equally.
- Dignity: respect for everybody.
- Respect: treating all clients and partners with respect.

1.2.2. DEVELOPMENT GOALS

Development goals for the GKM were developed based on the provincial goals as outlined in the PGDS and are as follows:

- Ensure that all people have access to basic services
- Safe, healthy and sustainable living environment
- Employment of all employable people
- Increased investor confidence in the GKM
- To provide strong and decisive leadership
- Developed and capacitated institution
- To ensure human and utilization of natural resources are in harmony
- To foster social compact
- To create options for people on where and how they opt to live, work, play and pray.

1.2.3. POPULATION

Statistics South Africa 's 2001 and 2011 census, Community Survey of 2007, and the Demarcation Board data have been used for the demographic and the economic information in this section.

Table 1: Population and households

	POPULATION 2001	POPULATION 2011	% CHANGE	HOUSEHOLDS 2001	HOUSEHOLDS 2011	% CHANGE
HGD	456 492	461 419	1.1%	72 244	112 282	55.4%
GREATER KOKSTAD	56526	65 981	16.7%	19 633	19 140	-2.5%

Source: Statistics South Africa, Census 2001, and 2011

The Greater Kokstad has had a population growth of 17% between 2001 and 2011. In contrast, the 2007 community survey illustrates a population decrease of 21% between 2001 and 2007. The tables below illustrate information on the population and number of household within the greater Kokstad Information.

Table 2: Population Density per ward

WARD	POPULATION
Ward 1	11441
Ward 2	7327
Ward 3	6775
Ward 4	11614
Ward 5	3437
Ward 6	9629
Ward 7	6937
Ward 8	8821
TOTAL	65981

Source: Statistics South Africa, Census 2001, 2011

Table 3: Household Information

HOUSEHOLDS INFORMATION	
Average number of rooms per household	2,5
Average household size	3.4
Female headed households	7962

Source: Statistics South Africa, Census 2001, 2011

The table below illustrates the distribution of the population based on racial groups.

Table 4: Population Distribution per race (% of population)

	Harry Gwala District Municipality (2001)	Harry Gwala District Municipality (2011)	Greater Kokstad LM (2001)	Greater Kokstad LM (2011)
African Black	93.12	96.87	86.80	88.7
Coloured	3.16	1.64	7.06	6.79
Indian or Asian	0.38	0.33	0.66	1.13
White	3.34	1.16	5.48	3.38
Total	100.0%	100.0%	100.0%	100.0%

Source: Statistics South Africa, Census 2001, 2011

Both statistics on table 1 above show that black people are dominant in the Municipality followed by colored people, then white people. Indians or Asians are the smallest population group in the municipality. In addition, there was a reduction from 2001 to 2011 in terms of the white population both at District and local municipality level. While there has been a slight increase among the Indian/Asian part of the population.

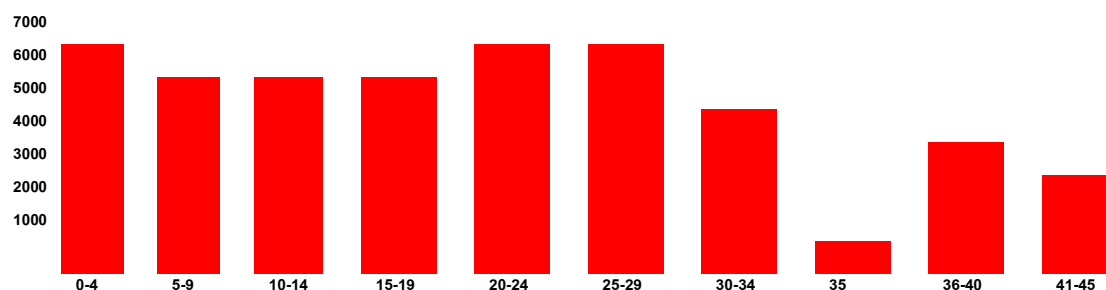


Figure 1: Age Distribution in GKM

As shown in graph above, the Greater Kokstad population is relatively young, with 70% of the population being youth under the age of 35. About 35% of the population is still school going pointing out a need to strength the existing FET College and to attract more institutions of higher learning in the future. This relatively young population signifies high potential for population growth in the future which further exacerbates the supply and demand scenario for more housing, education and health services in the foreseeable future. This means that the municipality, sector departments and NGOs must direct their development plan in favor of the youth. This brings us to the key issues of concern in the area such as the high unemployment rate, lack of skills, HIV&AIDS and substance abuse.

The segment of the population falling within the 15 – 64 age groups (which makes approximately 67% of the population) would essentially be classified as the potentially economically active population of Greater Kokstad Municipality. This data also means that there must be improved intake of social security grants especially the child support grants within the municipal area and economic growth to provide jobs for the economically active population. The Municipality has a relatively small percentage of elderly people, which brings to question whether people are not living to old-age, owing to untimely deaths or whether there is a generation of people that have left the area and are enjoying old age elsewhere.

1.2.4. EDUCATION

The table below indicates that forty-six percent (46%) of the Greater Kokstad population have a secondary level of education. Approximately 37.83% of the population has some form of schooling in the form of primary education and tertiary education. An approximate 16.24 percent of the population has no schooling. Overall this means that the population of the GKM is relatively illiterate.

Table 5: Level of Education Table

	DC43: HGDe	KZN433: Greater Kokstad	%
Grade 0 - Grade 7 / Std 5/ ABET 3	183768	20317	30.8
NTC I / N1/ NIC/ V Level 2 - Certificate with Grade 12 / Std 10	5140	1659	2.51
Diploma with Grade 12 / Std 10 - Post Higher Diploma Masters; Doctoral Diploma	6027	1790	2.71
Bachelor's Degree - Higher Degree Masters / PhD	3406	1194	1.81
No schooling	26549	2172	3.3
Other	418	85	1.12
Unspecified	-	-	0
Not applicable	66587	8459	12.82
Grade 8 / Std 6 / Form 1 - Grade 11 / Std 9 / Form 4	121433	18764	28.43
Grade 12 / Std 10 / Form 5	48091	11542	17.5
Total	461419	65981	100

Source: Statistics South Africa, Census 2011

1.2.5. HIV/AIDS

There is a lack of clear and reliable data regarding HIV at a local municipal level. However, it is nonetheless clear that it is a very serious issue and should be incorporated into whatever strategies or developments that are undertaken in the study area. Typical impacts of HIV/Aids on planning and development are as follows:

- ❖ Population growth and the structure of the population will change in terms of age and gender;
- ❖ Demand for services such as school, housing and health care facilities will change;
- ❖ Decreased productivity of workers;
- ❖ Impact on capacity of institutions;
- ❖ Spatial implications;
- ❖ Impact on the local economy.

The Municipality together with the Department of Health has developed strategies that will assist both those who are affected and infected. The Department of Health has responded well in driving the HCT (HIV/AIDS Counseling and Testing) and Medical Male Circumcision campaigns in an attempt to fight this disease. However, it is important to note the following achievements by our Government in dealing with HIV and Aids:

- Department of Health has increased site for ARVs provision. Even in Greater Kokstad there has been an increase of ARV down referral sites. Beside Usher Memorial hospital, people

can access ARV from Khanyiselani, Shayamoya (Themba lethu Centre), Franklin and Greater Kokstad clinics.

- Department of Health has introduced dual therapy and Mother to Child Transmission.

Greater Kokstad Municipality has furthered its efforts with Department of Health and other stakeholders by launching the Local AIDS Council that is looking at all issues related to HIV and possible solutions. While we were promoting Healthy lifestyle, we were also showcasing our commitment to the community in ensuring an AIDS free community.

1.2.6. SPATIAL REALITIES

Greater Kokstad Municipality has three urban nodes Kokstad Town, Swartberg and Franklin. Kokstad Town is the major economic center due to its strategic location in terms of transport network, economic and administrative activities. The National Route (N2) links the area to the major economic nodes such as Port Shepstone and Durban in the KwaZulu-Natal Province and Mthatha in the Eastern Cape Province. The R56 links Kokstad to Ixopo and Pietermaritzburg. The strategic location of Kokstad creates opportunities for economic growth. Emanating from the spatial location of the area is high population growth rate due to high migration of people from the Eastern Cape and Lesotho into the area in search for employment opportunities. The municipality is therefore faced with a challenge of planning, providing basic services, housing and creating employment opportunities for its growing communities.

There are also land reform projects in rural areas like Pakkies I and 2 and Kransdraai. Apart from the built environment, there are also agriculture, indigenous forests and areas of biodiversity. The municipality acknowledges the relationship between the built and the natural environment and has adopted an integrated approach to development and protection of the natural environment.

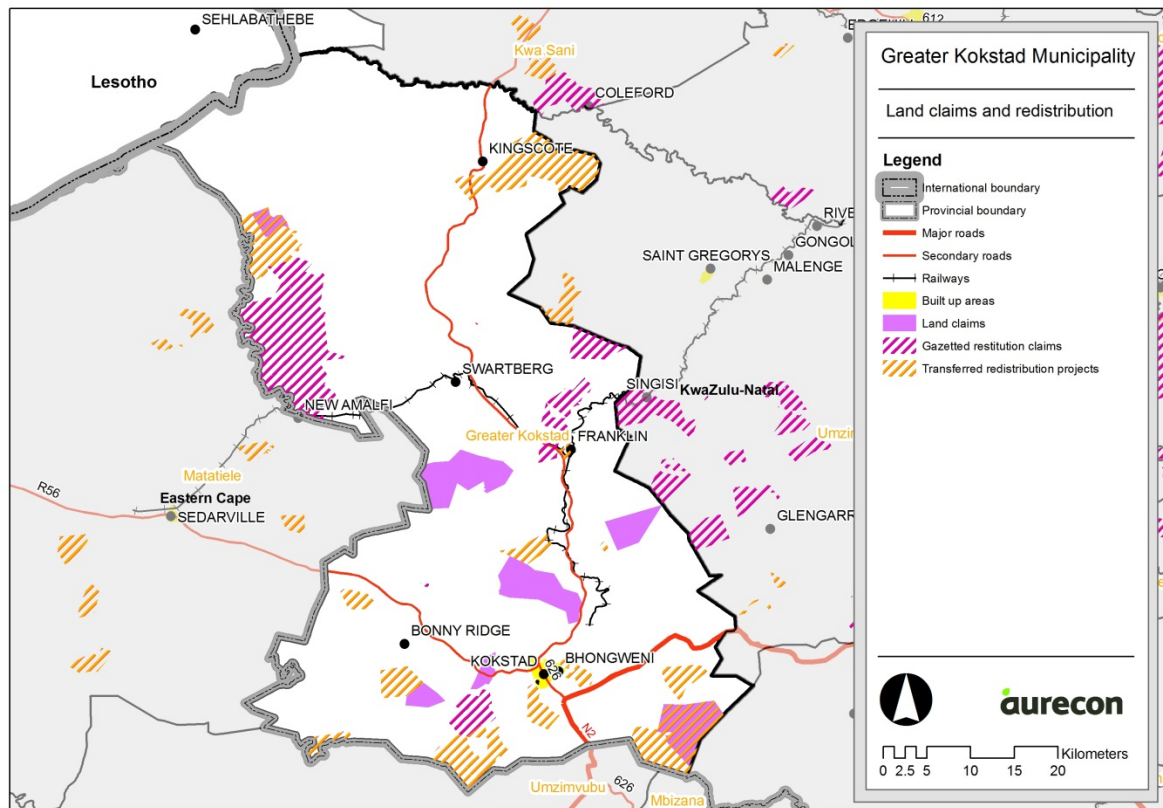
One major spatial challenge facing the municipality is illegal occupation of land for housing purposes. The municipality has no systems in place to deal with the situation. However, the implementation of Land Use Management System and the preparation of by-laws (to be prepared after the Land Use Scheme has been completed) will enable the municipality to control land use and apply to court to demolish any structure that is in contravention of its Land Use Scheme. This will contribute towards orderly and harmonious development.

The following spatial characteristics, issues and challenges impact on the future development of the Greater Kokstad Municipality and need to be taken forward in the IDP Process:

- Illegal occupation of land for informal housing purposes.
- Mushrooming of informal settlements on flood line and protected wetland areas.
- Kokstad town is presently not presenting a very good image for Greater Kokstad Municipality, due to the character of key infrastructure.
- There is minimal integration of environmental, land use and transport management system.
- A need exists to redirect growth and development to the previously disadvantaged areas and areas of economic opportunity while focusing on the redevelopment of deteriorating areas within the municipal area.
- There has been a substantial increase in the number of illegal small business operators that are conducting business from home without permission. This has given rise to traffic and safety problems as these areas were not designed for such purposes.
- Infrastructure like roads, electricity, and telephones, the main services are in the urban areas.

1.2.7. LAND REFORM

The implementation of the land reform program within Greater Kokstad Municipality has progressed very slowly. There are a number of land claims that have been lodged on farms in Greater Kokstad. The priority redistribution is in the Pakkies area. The only transferred redistribution claim within the study area is the Kokstad Commonage redistribution project. It includes the Farm Kransfontein and is located to the east and south east of Bhongweni. The map below indicates all the land reform projects within the Greater Kokstad Municipality.



1.2.8. COMMENT ON BACKGROUND AND DATA

The data provided herein is data used from the Census 2011 report conducted by Statistics South Africa and HIS Global Insight, 2011. Greater Kokstad Municipality strives to ensure the backlogs in the delivery of Basic Services like Electricity and Housing are reduced on an annual basis.

1.3. SERVICE DELIVERY OVERVIEW

The Greater Kokstad Municipality basic services as contained in our Municipal Indigent Policy is intended to provide norms and standards for a program to improve the lives of indigents and to improve access to free basic services. The policy recognized the need for inter-government co-operation in the process of dealing with indigents but places a specific emphasis on the municipal sphere, recognizing the important role local government has in effectively addressing the needs of indigent households. This requires local understanding and local initiative, co-ordinate with support from national and provincial government. The indigent policy seeks to address the problem of institutional exclusion by facilitating the reform of the systems of local government in ways that ensure the inclusion of the poor in ways that will guarantee their access to affordable basic services.

The implementation of the indigent policy as the basis of providing Free Basic Services was done in context of socio-economic realities facing our communities such as:

- High level unemployment
- Low income earners that have limited affordability
- High incidents of child-headed households
- Natural attrition of elderly headed households within our society.

The Municipality indigent policy apply specifically to Free Basic Services program within Municipality i.e. free basic electricity, free basic refuse removal.

We had 4466 beneficiaries on this program in 2015/16 financial year compared to 3389 beneficiaries in 2014/15. The equitable share allocated to the Municipality to provide free basic services is still in short supply.

1.4. FINANCIAL HEALTH OVERVIEW

Table 6: Financial Overview

Financial Overview: 2015/16			
			R'000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	R53 928 000.00	R61 083 000.00	R78 305 715.00
Taxes, Levies and tariffs	R222 943 294.00	R224 802 054.00	R225 021 459.00
Other	R17 983 448.00	R14 368 475.00	R9 660 486.00
Sub Total	R294 854 742.00	R300 253 529.00	R312 987 660.00
Less: Expenditure	R322 738 709.00	R350 418 137.00	(R278 568 945.00)
Loss on disposal of assets	Nil	Nil	(R2 904 295)
Gain/ (loss) on Actuarial	Nil	Nil	R2 246 197.00
Surplus/ (deficit)	(R27 883 967.00)	(R50 164 608.00)	R33 760 617.00

Table 7: Total Capital Expenditure

Total Capital Expenditure: 2013/14 – 2015/16			
			R'000
Details	2013/14	2014/15	2015/16
Original Budget	104 970 000.00	64 632 000.00	37 907 000.00
Adjustment Budget	60 136 000.00	60 057 000.00	49 180 000.00
Actual	42 164 000.00	58 723 000.00	R52 409 803.00

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The Greater Kokstad Municipality's focus is to improve knowledge, ability, skills and other talents for employees. This is achieved through training and development; 197 Employees were trained during 2015/16 financial year. The training and development aim to improve the performance and focuses on three main areas, namely, human resources management, quality improvement and career development. While training focus on providing the knowledge and skills required for doing a particular job it also allows for future job's responsibilities by increasing an employee's capabilities. Furthermore, the Municipality is committed in a continuous process in which an individual progression and this focuses on mainly two areas, namely, career planning which involves activities to be performed by the employee as well as career management which generally focuses on the steps that the Municipality is taking to foster career development which is done through offering bursaries and 19 beneficiaries were offered bursaries and only 2 were paid for, that passed their academic year.

This Municipality also has initiatives to retain staff and is confident is sustaining such initiatives i.e. Provision of Bursaries to staff, Housing Provision/ Allowance and Trainings. The Municipality also has the Employment Equity Plan that outlines numerical goals and targets. These assists in ensuring fair distribution amongst race and gender.

The Greater Kokstad also provide effective and efficient labour relations support and is guided by Labour Relations Act as well as collective agreements concluded at National, Divisional and local Level. The Local Labour forum was established and sits as per the year plan of meetings scheduled and the Forum creates a platform to maintain relations between employer and employees by addressing employee related issues as well as the consultation and bargaining process.

Human Resources has ensured that the policies are in place that guide the processes relating to human capital and they are reviewed on regular basis, although unforeseen circumstances may result in delay in adoption of reviewed policies but the policies are effective and creates a cornerstone for the expected behaviour on personnel. Wellness Centre is also in place to ensure the wellbeing of employees; programmes are initiated and assistance is normally received from stakeholders as a result of financial constraints.

1.6. AUDITOR GENERAL REPORT

The Greater Kokstad Municipality obtain an unqualified opinion with other matter for the year 2015/16. The Audit Report has been included in chapter 6 of the Annual Report.

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1.	Finalize the 4th quarter Report for previous financial year	31 July 2016
2.	Submit draft Annual Report to Internal Audit	
3.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	31 August 2016
4.	Mayor tables the unaudited Annual Report	
5.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
6.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
7.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	1 September – 31 October 2016
8.	Municipality receives and start to address the Auditor General's comments	30 November 2016
9.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
10.	Audited Annual Report is made public and representation is invited	
11.	Oversight Committee assesses Annual Report	
12.	Council adopts Draft Oversight report	30 December 2016
13.	Draft Oversight report is made public	
14.	Draft Oversight report is submitted to relevant provincial councils	
15.	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	25 January 2017
16.	Annual Report and Oversight report presented to Council for adoption	31 March 2017

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance at Greater Kokstad Municipality is made up of Political & Administrative Governance, Inter-governmental Relations, and Public Accountability & Participation along with Corporate Governance. Political & Administrative Governance is the breakdown of Elected Councilors, the committees they sit on, & the number of meetings they attend. It further looks at the administrative aspect of the municipality in terms of the organizational structure being implemented and a distinction made of the business units and their respective functions. Intergovernmental Relations is basically the relationship that the municipality forges with other sector departments in order to carry out day to day activities, like National Treasury, the Auditor General & the Provincial Department of CoGTA. Public accountability is the way the Municipality operates with regards to the communities by way of holding community meetings, Izimbizo's and the process of ward committees dealing with issues within the wards. Corporate Governance looks at issues of transparency and accountability whereby the municipality outlines its top risks, and also the way in which they run the Supply Chain Management Unit. Together these important aspects intertwine and are forged so as to ensure all aspects of the municipality are properly functioning and that communities receive quality services at an affordable price.

COMPONENT A – POLITICAL AND ADMINISTRATIVE GOVERNANCE

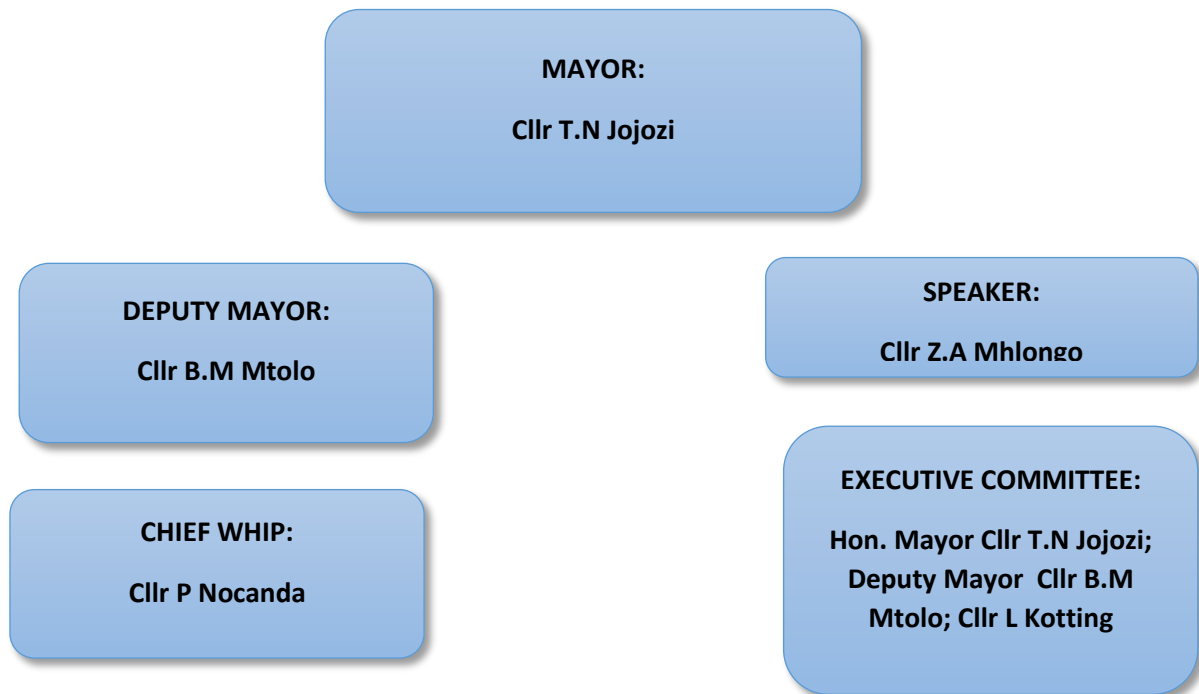
INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political & administrative governance at Greater Kokstad Municipality comprises of the elected councillors and the respective senior managers and the way they actually work together on a day-to-day basis in order to achieve organizational goals.

2.1. POLITICAL GOVERNANCE

Greater Kokstad Municipality has several portfolio committees of which the Full Council, Executive Committee, Municipal Public Accounts Committee and the Oversight Committee form part of. Greater Kokstad Municipality re-established its Audit Committee in June 2015 to provide opinions and recommendations on financial processes and performance and provides comments to the Oversight Committee on the Annual Report. The municipality has established an Oversight Committee, comprised of non-executive councilors, and community representatives with the specific purpose of providing Council with comments and recommendations on the Annual Report.

POLITICAL STRUCTURE



COUNCILLORS

There are 16 Councilors.

8 Councilors are Ward Councillors and 8 Councilors are proportional.

12x Councilors are ANC, 3x Councilors are DA Councilors and 1x Councilor is an AIC Councilor.

COMMITTEE ALLOCATIONS JULY 2015 TO JUNE 2016

Committee Allocations July 2015 to June 2016		
Portfolio committee	Chairperson	Members
MPAC	Councilor N Mavuka	Councilor P X Xelitole; Councillor M M Nondabula Councilor M N Dumisa; Municipal Manager: Mr Z J Mkhize Executive Manager: Community Development Services, Mr N Msiya Executive Manager: Infrastructure Planning & Development, Mr A W Velem Manager Revenue, Mr W Dotye Assistant Manager Budgeting, Ms Q Deyi Executive Support Officer, Ms H Adkins Chief Financial Officer, vacant post

Committee Allocations July 2015 to June 2016		
Finance & Infrastructure, Planning & Development	Mayor: Councilor TN Jojozi	Councilor T M Mohlakoana; Councillor TO Madikizela Councilor L J Sithole; Councillor N L Madikizela Councilor V Ncukana; Councillor B L Marncce Executive Manager: Infrastructure, Planning & Development, Mr A Velem Manager: Revenue, Mr W Dotye Assistant Manager: Revenue, Mr S Khoza Assistant Manager: Budgeting & Compliance, Ms Q Deyi Co-ordinator: Electrical Services, Mr G T Gwagwa Co-ordinator: PMU, Mr T Shandu Co-ordinator: Spatial Planning & Development, Mr S Madikizela; Town Electrical Engineer, Mr D Barker Chief Financial Officer, vacant post Manager: Civil Engineering, Mr F De Lange Co-ordinator: Storm water & Roads, Mr W Dladla
Governance	Councilor L J Kotting	Councilor P Nocanda; Councillor N T Mqikela, Councilor M M Nondabula; Councillor M N Dlakavu Municipal Manager: Mr Z J Mkhize Manager: Human Resources, Mrs N D Mkhize Co-ordinator: Personnel Administration, Ms T Eksteen Manager: Administration & Customer Care, Mrs P T Coetzee Co-ordinator: Community Participation, Ms B Mkulisi Coordinator: Auxiliary Services, Mr N Mthimkhulu Co-ordinator: IGR and Communication, Mr S Ncwane
Community Development Services	Councilor B M Mtolo	Councilor P X Xelithole; Councillor N T Mqikela Councilor N L Madikizela; Councillor M M Nondabula, Executive Manager: Community Development Services, Mr N Msiya Senior Superintendent Traffic & Licensing, Mr M Maphanga Coordinator: Youth and Special Programmes, Mr K Xorile Manager: Local Economic Development, Mr G Ogle

WARD COUNCILLORS POLITICAL PARTY (2015-2016)

WARD COUNCILLORS LIST		
Ward No.	Name	Political Party
Ward 1	ClIr P. Nocanda	ANC
Ward 2	ClIr M.N. Dlakavu	ANC
Ward 3	Speaker, ClIr Z.A. Mhlongo	ANC
Ward 4	ClIr P.X. Xelitole	ANC
Ward 5	ClIr N. Mavuka	ANC
Ward 6	ClIr T.M. Mohlakoana	ANC
Ward 7	ClIr L.J. Sithole	ANC
Ward 8	ClIr M.M. Nondabula	ANC

PROPORTIONAL REPRESENTATION (PR) COUNCILLORS BY POLITICAL PARTY (2015 – 2016)

PR COUNCILLORS LIST	
Name	Political Party
Mayor, Cllr T.N. Jojozi	ANC
Deputy Mayor, Cllr B.M. Mtolo	ANC
Cllr J.L Kotting	DA
Cllr. T.O Madikizela	ANC
Cllr. V. Ncukana	ANC
Cllr. N.T Mqikela	ANC
Cllr. B.L Marnce	DA
Cllr M.N Dumisa	DA

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The first layer of committees is the Municipal Standing Committee on Public Accounts (MPAC) which consists of ordinary Councilors to oversee the expenditure of public funds in order to ensure the efficient and effective utilization of council resources and to enhance the political accountability of Council.

EXCO members account to MPAC on issues related to their portfolios. MPAC reports back to Council via the Speaker. The primary purpose of the municipal MPAC is to assist council to hold the executive and the municipal administration to account.

THE EXECUTIVE COMMITTEE (EXCO)

The second layer of committees is the EXCO which reports in terms of section 44 of the Local Government: Municipal Structures Act, 1998 to the municipal council on decisions made in terms of its delegated powers as well as recommendations made on those issues the municipal council did not delegate to the EXCO.

EXCO consists of 3 members, namely, the Mayor, Deputy Mayor and 1 (one) other member. The Mayor is the Chairperson of the meeting, whilst the Deputy Mayor automatically becomes the Deputy Chairperson.

PORTFOLIO COMMITTEES (SECTION 80)

The third layer of committees is the Portfolio Committees (in terms of Section 80 of the Local government: Municipal Structures Act, 1998), which makes recommendations to the EXCO and report back on resolutions taken in terms of its delegated powers.

All Portfolio Committees report to the Executive Committee. The Executive Committee may refer a matter back to the Portfolio Committee for further consideration, amend or adopt the

recommendations if it has delegated authority to do so, or submit its (Executive committee) recommendations to council.

There are 3 (three) section 80 committees, namely:

- Finance & Infrastructure, Planning and Development Service Portfolio Committee
- Community Development Services Portfolio Committee
- Governance Portfolio Committee

2.2. ADMINISTRATIVE GOVERNANCE

The municipal manager is the head of the municipal administration. Subject to the policy directions of the municipal council, the municipal manager is responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration. The municipal manager must make sure the administration is equipped to implement the municipality's integrated development plan, that it operates in accordance with the municipality's performance management system, and that it is responsive to the needs of the local community. The roles and responsibilities of the Municipal Manager are comprehensively set out in Section 55 of the Municipal Systems Act and responsibilities of the Municipal Manager as Accounting Officer is set out in Chapter 8 of the Municipal Finance Management Act, 56 of 2003.

The Municipal Manager's office has assumed direct responsibility for Communications and Corporate Strategy as well as the drafting, management and implementation of Council's Integrated Development Plan (IDP). The Internal Audit Services is outsourced from Umnotho. The Municipality anticipates to have fully functional in-house Internal Audit Unit in the 2016/17 financial year. In addition, there are four Business Units that mirror the committee portfolios also report to the Municipal Manager. They are:

- Financial Services
- Corporate Services
- Community Development Services
- Infrastructure, Planning & Development

Each of these Business Units is headed by an Executive Manager, who must ensure that services are effectively and efficiently delivered to the people of the Greater Kokstad Municipality. The municipal manager and his team of executive managers hold weekly meetings to discuss key strategic service deliverables, and to offer guidance on achieving IDP goals.

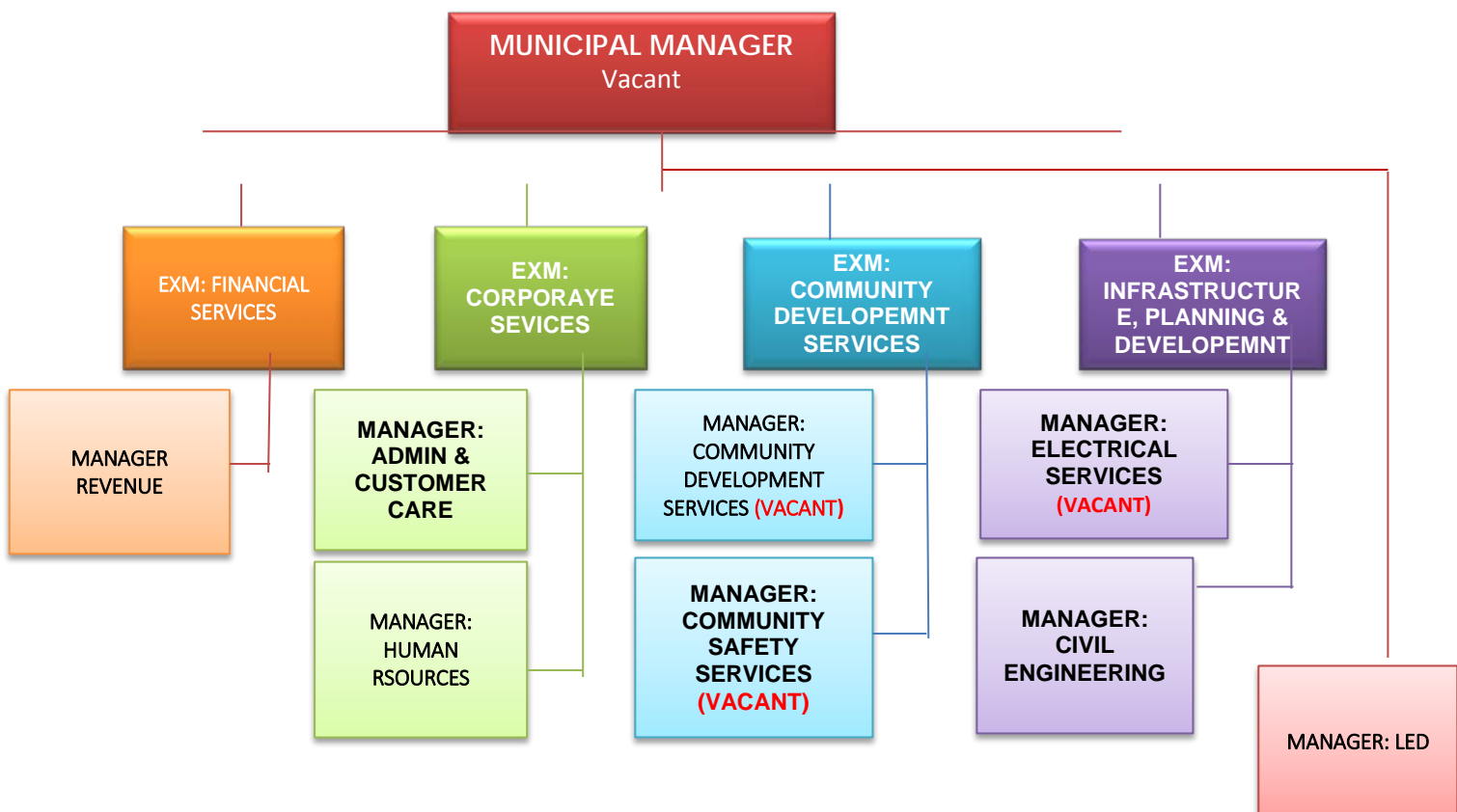
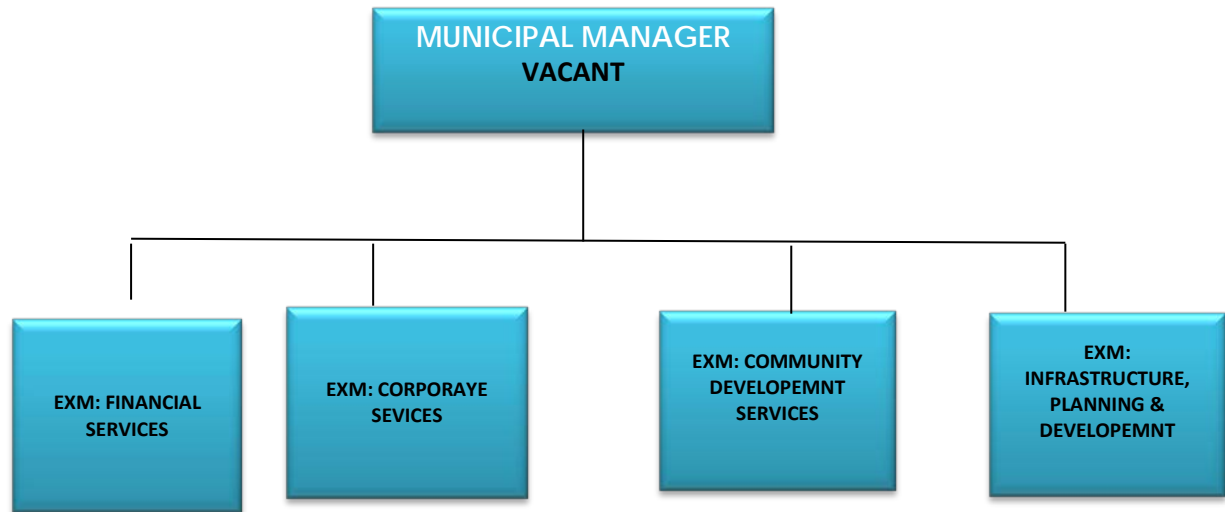
The administrative component is aligned with the six (6) National Key Performance Areas (named below); and they are linked to Back to Basic Pillars.

- Municipal Transformation and Institutional Development
- Basic Service Delivery
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Cross-Cutting

TOP ADMINISTRATIVE STRUCTURE



TOP STRUCTURE OF THE GREATER KOKSTAD MUNICIPALITY (TIER 1-3)



COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The municipality continues to receive full support from the Office of the MEC for Cooperative Governance and Traditional Affairs. Substantial support in the development of a financial recovery plan has also been obtained from National Treasury. The provincial Treasury has also assisted in terms of developing both the strategic and operational risk registers of the municipality. Whilst the Municipal Infrastructure Grant (MIG) was the primary source of funding for capital projects related to infrastructure development and basic services, the following basic services are delivered to the community using mechanisms of intergovernmental relations with National/ Provincial Departments and/ or parastatals:

Housing - Department of Human Settlements;

Electricity - Department of Minerals & Energy and Eskom

Roads – Department of Transport

Various other grants, such as the Small-Town Rehabilitation, ECO Park and Industrial Park have been received for the implementation of projects. All information related to grants received is disclosed as required in the Annual Financial Statements.

2.3. INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURE

The Greater Kokstad Municipality is one of the 26 Municipalities in KZN that was selected for the Back-to-Basics monitoring system support due the strenuous budget constraints in the last two financial years. This has also had a direct effect on the poor attendance of national government information sharing sessions.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality has received support for the implementation of Organizational Performance Management from the Provincial Department of Cooperative Governance and Traditional Affairs. The Municipal Manager participates in the Municipalities and Member of Executive Committee and Technical Municipalities and Member of Executive Committee forums.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Municipal System Act section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

2.4. PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The Greater Kokstad Municipality has an adopted Communication Strategy and Policy in place. The IDP Representative Forum becomes a very central forum to finalize the prioritization process, it is also envisaged that the Budget and PMS stakeholder's engagement structures as reflected in the IDP Guides, must be the same or integrated structures. Every year around the end of August, Greater Kokstad Municipality finalize a Process Plan which is approved by Full Council, once approved a public notice is posted to our website and various newspapers inviting members of public as well as various stakeholders to make submissions with regards to developmental priority needs. The very same Process Plan is posted to the Greater Kokstad website where different activities and milestones are reflected in terms of the IDP review and PMS and Budget implementation and monitoring.

The public participation is an on-going engagement process, and the following are forms of citizenry participation that are utilized by the Municipality to ensure the citizen and stakeholders voice are accommodated in the planning, execution and review of the IDP, Budget and PMS processes:

- Ward Committee Quarterly Meetings
- Quarterly Community Meetings by Councilors
- Full Council Meetings – Public Gallery
- Izimbizo: Public Meetings for Budget Road shows, IDP Road shows and Mayoral Imbizo
- Municipal Property Rates Act (MPRA)
- Community Based Planning: Development of Ward Plans
- Complaints Register: Customer Care and Batho Pele Engagements
- Operational SukumaSakhe – Premier's Flagship Tool for Accelerated Service Delivery at a Ward Base Level
- Attendance to invitations by Interest groups

Some of the above various forms of public participation engagements are conducted throughout the year specifically at an operational level and then some of them are organized on a monthly, quarterly and annually as reflected in our Process Plan.

WARD COMMITTEES

Ward committees are advisory structures which make any recommendations on any matter affecting their wards. They are required to increase the participation of citizens in local government, by providing a link between the community and Municipal Council.

During the 2015/16 financial year Ward committees in all wards have performed their activities that includes: sitting of quarterly ward committee meeting, reporting back to the community on issues, attending and forwarding community quires to the Municipality, disseminating information to the community and reporting their activities on quarterly basis,

In total 26 Ward Committee Meetings were held and 42 community Meetings were held, broken down as follows in the table below:

Ward	Public Meetings					
	Nature and Purpose of meeting	Date of event	No. of Participating Municipal Councilors	No. of Participating Municipal Administrators	Number of Community members attended	Issue Addressed (Yes/No)
1	Community meetings	12 July 2015	1	1	174	Yes
		05 March 2016	1	1	65	
		12 November 2015	4	7	106	
		12 November 2015	3	6	213	
2	Mayoral Imbizo	21 April 2016	10	20	1200	yes
	Community meetings	15 May 2016	1	1	48	
		31 July 2015	1	1	130	
		08 April 2016	1	5	84	
		18 November 2016	3	5	295	
		17 November 2016	1	9	64	
		15 November 2016	1	2	26	
		13 November 2015	2	4	45	
3	Community meetings	23 August 2015	1	1	49	yes
		15 February 2016	2	4	48	
		19 May 2016	1	8	46	
		17 November 2015	3		40	
4	Community meetings	23 July 2015	1	5	147	yes
		15 April 2016	1	6	72	
		17 November 2015	3	10	189	
5	Community meeting	14 June 2016;	1	1	55	yes
		19 August 2015	1	1	75	

		28 Sept 2015	4	4	163	
		15 February 2016	1	1	52	
		07 April 2016	1	6	75	
		16 November 2015	5	8	59	
6	Community meetings	26 February 2016	1	9	84	
		13 June 2016	1	4	37	
		03 April 2016;	1	5	26	
		21 November 2015	2	7	15	
		23 November 2015	2	7	17	
		23 November 2015	4	5	56	
7	Community meetings	20 September 2016	2	1	103	yes
		03 March 2016	2	1	89	
		12 April 2016	2	8	60	
		18 November 2015	5	6	128	
8	Community meetings	22 August 2015	2	1	108	yes
		22 Oct. 2015	1	1	250	
		28 September 2016	4	4	163	
		20 March 2016	2	1	82	
		19 June 2016	1	1	99	
		12 April 2016	3	4	95	
		19 November 2015	4	5	125	

2.5. IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance at Greater Kokstad Municipality entails Risk Management, Anti-Corruption and Fraud and Supply Chain Management which is unpacked below.

2.6. RISK MANAGEMENT

Note: MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

To effectively manage risks to the achievement of the municipality's objectives, Greater Kokstad provides managers with a systematic way to make responsible, coherent and informed decisions and enables them to achieve improved outputs and outcomes. A structured approach to the management of risks also enhances and encourages the identification of greater opportunities for continuous improvement through innovation.

Risk Management Practices requires the Accounting Officer to manage the strategic and operational risks of the municipality. Due to capacity challenges within the municipality, the Provincial Treasury is assisting / supporting the in conducting the following Risk assessments on annual basis:

- Operational Risk Assessment
- Strategic Risk Assessment
- Stand-alone ICT assessment
- Stand-alone Supply Chain Management Assessment

The top ten risks identified is updated on the Risk Register and reported to all relevant structures of the municipality and Internal Auditors prepare their Risk Based Annual Plan.

The municipality has a Risk Management Committee in place that was established in 2013 with assistance from Provincial Treasury; it is required to meet on quarterly basis. However, this target is not always achieved due to the moratorium on all vacant posts including Key critical posts. Risk Register reports are submitted monthly to MANCO and Standing Portfolio Committees.

The following are the top ten (10) significant risks that are facing the municipality. The municipality is fully aware of the root causes and has been able to put in place mitigating strategies within the SDBIP for 2016/17 which goes to outer year of the MTERF.

Top 10 inherent Risk identified are as follows:

Risk01. Financial Management: Financial Sustainability

Risk02. Infrastructure: Development and Maintenance

Risk03. Community Development: Housing

Risk04. Community Services: Libraries Management

Risk05. Financial Management: Expenditure Management

Risk06. Business Support: Performance Management System

Risk07. Strategic Leadership: Integrated Development Plan

Risk08. Business Support: Information Technology
Risk09. Business Support: IGR, Communications and Corporate Image
Risk10. Community Services: HIV/AIDS and Vulnerable Groups

Top 10 Residual Risks are as follows:

Risk01. Financial Management: Financial Sustainability
Risk02. Infrastructure: Development and Maintenance
Risk03. Business Support: Information Technology
Risk04. Financial Management: Expenditure Management
Risk05. Business Support: Performance Management System
Risk06. Community Services: Libraries Management
Risk07. Community Development: Housing
Risk08. Community Services: Community Safety
Risk09. Economic Development: Tourism and Investment attraction and Retention
Risk10. Community Services: HIV/AIDS and Vulnerable Groups

2.7. ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has an adopted Fraud and Anti-Corruption Policy which was adopted in 2013. The Fraud and Anti-Corruption Policy is due for review and adoption by Council in 2016/17.

2.8. SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

DEMAND MANAGEMENT

The Procurement Plan defines the Supply Chain Management needs of the organization, aligned to the municipality's IDP, Budget and Departmental SDBIP. The plan is for a minimum of one year but aligned to the IDP three-year period, this is especially critical in the case of capital projects requiring the issuing of bids for multiyear projects, as well as in order to obtain cost savings through longer term goods and service contracts (limited to a three-year period in terms of the MFMA). The main objective of the plan is to assist the service delivery business units to achieve their service delivery mandates and to meet their service delivery requirements without any SCM processes delays and this forms the integral component of the entire process to ensure effectiveness, efficient and economical SCM processes.

ACQUISITION DEMAND

Thresholds as per regulation 12 of the SCM regulations has been set and complied with throughout the year. A thorough review of all contracts and annual supplies contracts was done to identify contracts that have reached or about to reach their expiry period and are in the process of being re-advertised in the form of a contract register.

Bid documentation were compiled and as far as possible aligned with circular 25. A thorough review of the bid documentation was done to ensure full compliance with circular 25 and circular 62.

Bid committee structures were also established and implemented in accordance with regulation 27, 28 and 29 of the SCM regulations.

LOGISTICS MANAGEMENT (STORES MANAGEMENT)

Part of logistics management is to establish and implement appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased; regular checking of stock; and monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

The stock count for the financial year 2015/16 proceeded smoothly with every member of the team demonstrating their efforts and energy in achieving a well-run physical count of stock. The purpose of conducting a stock count is to verify and ascertain and benchmark the stock records as reflected by the computer system and that of the physical stock on hand. Any discrepancies on stock are then reported and investigated and same is translated on computer system either losses or surpluses. Further to that the investigation is then conducted and necessary remedies made if any.

MONITORING OF SCM CONTRACTS

A table below shows the performance assessment of all the service providers of GKM.

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
GKM 12/09	UMNOTHO BUSINESS SYSTEM	2015-03-13	YES	R3, 439, 821.00	Internal audit services	Internal audit services are rolled out projects as per annual plan	Internal audit services	Internal audit services are rolled out projects as per annual plan	x		
GKM 40/11	HCB	21-nov-11	Yes	R1, 243, 300.00	General valuation roll	General valuation roll	General valuation roll	General valuation roll	x		
SECTION 32	DELTA BLUE	2012-12-11	YES	15% ON VAT RETURNS	Comprehensive review of GKM vat returns	Comprehensive review of GKM vat returns	Comprehensive review of GKM vat returns	Comprehensive review of GKM vat returns	x		
SECTION 32	MOLEMO	2012-09-17	YES	R1, 217, 829.04	Consulting services small town rehabilitation	Consulting services small town rehabilitation	Consulting services small town rehabilitation	Consulting services small town rehabilitation	x		
SECTION 32	TLC ENGINEERS	2012-10-17	YES	R4, 020, 614.07	Consulting services for the construction of horseshoe phase 3, shayamoya phase 3 and rehabilitation of Kokstad roads phase 6	Consulting services for the construction of horseshoe phase 3, shayamoya phase 3 and rehabilitation of Kokstad roads phase 6	Consulting services for the construction of horseshoe phase 3, shayamoya phase 3 and rehabilitation of Kokstad roads phase 6	Consulting services for the construction of horseshoe phase 3, shayamoya phase 3 and rehabilitation of Kokstad roads phase 6	x		
Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers		

			in terms of the SLA						Performance		
					Target	Actual	Target	Actual	G	S	P
GKM 15/11	FNB	21-oct-11	Yes	Banking services	Provision of banking services for Greater Kokstad Municipality	Provision of banking services for Greater Kokstad Municipality	Provision of banking services for Greater Kokstad Municipality	Provision of banking services for Greater Kokstad Municipality	x		
COUNCIL RESOLUTION	WESBANK	13-feb-11	Yes	R10000000	Long term loan to finance purchasing of GKM fleet	Long term loan to finance purchasing of GKM fleet	Long term loan to finance purchasing of GKM fleet	Long term loan to finance purchasing of GKM fleet	x		
GKM 17/10	TCG JV SCIENTIFIC ROETS	08-mar-11	Yes	R1, 113, 994.73	New landfill site	Licence Application	New landfill site	Obtain a Licence	x		
GKM 22/10	ENACU/SCIENTIFIC ROETS JV	14-feb-11	Yes	R789, 460.67	Consulting civil engineering services	Consulting civil engineering services	Consulting civil engineering services	Consulting civil engineering services	x		
GKM 45/11	DATA CENTRIX (PTY) LTD	03-Dec-12	YES	R1, 747, 956.64	ICT managed services	ICT managed services	N/A	N/A		x	
GKM 40-12/13	NATHOO MBENYANE CONSULTING	22-Apr-13	YES	R447, 963.00	Provision of civil engineering services at Bhongweni stadium	Provision of civil engineering services at Bhongweni stadium	Provision of civil engineering services at Bhongweni stadium	Provision of civil engineering services at Bhongweni stadium		x	
GKM 59-12/13	UMANYANO FUNERAL SERVICES	28-Jun-13	YES	995 P/P WITH ESC.	Appointment of a service provider for indigent burial	Appointment of a service provider for indigent burial	Appointment of a service provider for indigent burial	Appointment of a service provider for indigent burial	x		

Bid Number	Name of external	Date Contract	Service	Value of	Comparison with previous year	Current Financial Year	Assessment of
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	Service Provider	Awarded	provided in terms of the SLA	project					Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
GKM 09-13/14	PJ PLASTICS	23-Dec-13	YES	R1, 258, 650.00	Supply and delivery of black refuse bags	Supply and delivery of black refuse bags	Supply and delivery of black refuse bags	Supply and delivery of black refuse bags		x	
GKM 41-12/13	MARSH SOUTH AFRICA (PTY) LTD	04-Jul-13	Yes	R1, 351, 907.73	Short-term insurance for GKM	Short-term insurance for GKM	Short-term insurance for GKM	Short-term insurance for GKM		x	
GKM 07-13/14	UYABONWA SECURITY SERVICES	25-Mar-14	Yes	R7, 051, 559.40	Security management for municipal premises	Security management for municipal premises	Security management for municipal premises	Security management for municipal premises		x	
GKM 07-13/14	Prestige security services	25-mar-14	Yes	R97, 625.41	Security management for municipal premises (banking services)	Security management for municipal premises (banking services)	Security management for municipal premises (banking services)	Security management for municipal premises (banking services)	x		
LICENSE RENEWAL	MUNSOFT	License renewal	Yes		MUNSOFT financial system annual license renewal	MUNSOFT financial system annual license renewal	MUNSOFT financial system annual license renewal	MUNSOFT financial system annual license renewal	x		
GKM 14-13/14	Clean spot	13-aug-14	Yes	R4, 547, 262. 59	Supply & delivery of uniform & protective clothing for GKM (re-advertisement)	Supply & delivery of uniform & protective clothing for GKM (re-advertisement)	Supply & delivery of uniform & protective clothing for GKM (re-advertisement)	Supply & delivery of uniform & protective clothing for GKM (re-advertisement)	x		
GKM 13-13/14	Ingcweti project managers	03-oct-14	Yes	C/a	300 community residential units	Development of a pre- feasibility study	300 community residential units	4.6 million approved for planning stage by departments of HS	x		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
GKM 16-13/14	CAPITAL OFFICE AUTOMATION	22-sep-14	Yes	R1, 034, 208.00	Appointment of a service provider for the supply & delivery of office machines on full maintenance lease	Appointment of a service provider for the supply & delivery of office machines on full maintenance lease	Appointment of a service provider for the supply & delivery of office machines on full maintenance lease	Appointment of a service provider for the supply & delivery of office machines on full maintenance lease			x
SECTION 32	PROTEA CONSULTING	27-jul-15	Yes	R85,000.00 pm exc vat and disb AR/APR and r285,000.00 excl vat and disb.	Compilation of annual financial statements, AR and APR.	Credible AR & APR and work conducted as per annual plan	Compilation of annual financial statements, AR and APR.	Credible AR & APR and work conducted as per annual plan	x		
NOTICE NO. 30-2013/2014	THIXIHT	15-may-15	Yes	25 % to GKM	Pay parking bay management	Pay parking bay management	Pay parking bay management	Pay parking bay management	x		
GKM 10-14/15	UDIDI PROJECT DEVELOPMENT COMPANY (PTY) LTD	05-may-15	Yes	R300,000.00	2013/2014 GKM SDF	Adopted 2013/2014 SDF	Review of the 2013/14 GKM SDF	Adopted 2014-2015 GKM SDF		x	
GKM 13-14/16	ULTIMATE RECRUITMENT SOLUTION	01-Jul-15	YES	5% discount, orders will be issued as per need.	N/A	N/A	Advertising agency	Advertising agency	x		
SECTION 32	BIGEN AFRICA SERVICES (PTY) LTD	27-Jul-15	YES	4% to 14% of collection	N/A	N/A	Debt collection services	Debt collection services	x		
GKM 11-14/15	MOROLOBA PICS AND EVENTS	23-Jul-15	YES	65% to GKM	Controlled medium of outdoor advertising	Appointment of a service provider for outdoor advertising	Controlled medium of outdoor advertising	Increased number of application on outdoor advertising		x	

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
GKM 19-14/15	CLEAN SPOT	01-aug-15	Yes	Orders will be issued as per the need	N/A	N/A	Supply and delivery of kitchen supplies	Supply and delivery of kitchen supplies	x		
SECTION 32	KHABOKEDI WASTE MANAGEMENT	01-feb-16	Yes	3 772 000,00	N/A	N/A	Provision of operation and management of the landfill site: shayamoya landfill site0	On-going maintenance	x		
GKM 13-14/15	FRANCOIS VAN DER MERWE	08-feb-16	Yes	250 000,00	Disposal of municipal assets (land)	1 out of 8 sites sold	Disposal of municipal assets (land)	4 out of 7 sites to be sold		x	
GKM 06-15/16	ILIZWE TOWN AND REGIONAL PLANNER	29-mar-16	Yes	R300,000.00	Review of the 2006 GKM housing sector plan	Approved tor for appointment of a service provider	GKM's housing sector plan	Housing sector plan situation analysis		x	
GKM 28-15/16	DATACENTRIX (PTY) LTD	08-mar-16	Yes	R299, 613.10	N/A	N/A	Supply and installation of a storage area network san for GKM offices	Supply and installation of a storage area network san for GKM offices		x	
GKM 11-15/16	BOKAMOCO PT VUKANI ELECTRICAL	29-mar-16	Yes	R853,860.00	N/A	N/A	Electricity meter Audit	Electricity meter Audit	x		

2.9. BY-LAWS

MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

NO BY-LAWS were developed this financial year.

2.10. WEBSITES

Municipal Website: Content and Currency of Material		
Documents Published on the Municipality's Website	Yes/No	Publishing Date
Current annual and adjustment budgets and all budget-related documents	No	
All current budget-related policies	No	
The previous annual report (2014/15)	No	
The annual report (2015/16) published/to be published		
All performance agreements required in terms of section 57 (1)(b) of the Municipal Systems Act and resulting scorecards	No	
All service delivery agreements (2015/16)	No	
All long-term borrowing contracts (2015/16)	No	
All supply chain management contracts above a prescribed value for 2015/16	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2015/16	No	
Contracts agreed in 2015/16 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
All quarterly reports tabled in the Council in terms of section 52 (d) during 2015/16	No	

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

For Legislative Compliance, various Business Units are expected to furnish relevant information for publishing on the Greater Kokstad Website. Information is updated almost daily or as and when uploads are received from various departments and is accessible within a few hours depending on the content. Internet bandwidth on the LAN is not very reliable therefore uploads onto the Website is very slow. Although 3G Data Connectivity is available the speed is not consistent and also affects uploads and test downloads. However Greater Kokstad Municipality always strives and publishes the necessary information on the Website.

The Public can access information on www.kokstad.gov.za 24hrs a day by viewing some information on respective pages whereas other information is available as downloads viz. PDFs (Readable with Acrobat Reader). Information not up to date, it is usually due to respective Units not providing them timeously or not at all. Most information provided is uploaded and available within a few hours; however, Internet bandwidth, LAN or 3G is not always reliable.

2.11. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

INTRODUCTION

Public Participation is a core tool of accountability and good governance. It is also a means through which citizens exercise their voice in determining their livelihoods and quality of life. Municipalities are charged with a wide portfolio of responsibilities, including the provision of basic services, facilitation of good socio economic environments, etc. Within these functions, legislation and good practice calls that the communities are an essential part in determining the direction in which their localities grow.

The Department of Cooperative Governance and Traditional Affairs (COGTA) through Back to Basics program identified a need for conducting Customer Satisfaction Survey in Greater Kokstad Municipality. The aim of the survey is to assess the areas which need attention and to identify the support that is needed to improve Public Participation.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

3.1. WATER & SANITATION PROVISION

Water and Sanitation is a function of a District Municipality. We engage with the District through quarterly infrastructure meetings which are held between the District and other Local Municipalities. All the challenges and progress on projects are discussed in these meetings. Kokstad is going through drought period as a result HGDM is instating water restrictions between 9h00 and 4h00 June 2015. The impact of water restrictions is badly affected business operations and living standards for residents. The new Council has resolved to intervene by instituting an investigation on water resources availability

3.2. ELECTRICITY

The Greater Kokstad Electricity Unit is licensed by the National Electricity Regulator of South Africa (NERSA). The Electricity Unit operates under the Electricity Regulator Act of (2006).

Electricity Service Delivery Levels				Households
Description	2012/2013	2013/14	2014/15	2015/16
	Actual no.	Actual no.	Actual no.	Actual no.
Energy: (above minimum level)				
Electricity (at least min. service level)	0	0	0	0
Electricity – prepaid (min. service level)	76	69	86	68
<i>Minimum Service Level and Above sub-total</i>	76	69	86	68
<i>Minimum Service Level and above Percentage</i>	%	%	%	%
Energy: (below minimum level)				
Electricity (<min. service level)	0	0	0	0
Electricity – prepaid (<min. service level)	0	0	0	0
Other energy sources	0	0	0	0
<i>Below minimum service level sub total</i>	0	0	0	0
<i>Below minimum service level Percentage</i>	0%	0%	0%	0%
Total number of households	76	69	86	86

3.3. WASTE MANAGEMENT

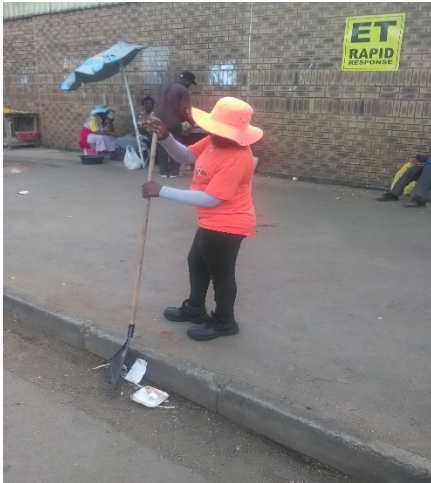
In Kokstad there are 19 140 households. Waste is collected in 10 774 of those households although 5500 informal settlements that are close to the households also benefit from the service.

There are 4 main formal companies which do recycling in Kokstad and most of them have been operating since 2000 and currently employ more than 50 people. Cardboard, paper, tins, scrap metal, tyres and plastic are mainly collected. The companies buy mainly plastic and cardboard

items from informal collectors on the landfill site, providing income for a further 50 people. Compacting machines at the facilities in town are used to bale and prepare the materials for transport by the companies to recycled material buyers in the Durban area. The companies recycle about 50 tons of waste per month.

Regarding job creation the department has managed to increase the number of EPWP beneficiaries by 550 this financial year. There is a total of 779 EPWP beneficiaries in Kokstad.

The department has also ran 12 waste awareness and 25 cleanup campaigns this financial year.





Solid Waste Services Delivery Levels				
Description	2012/2013	2013/14	2014/15	*Households
	Outcome No.	Outcome No.	Outcome No.	Actual No.
Solid Waste Removal: (minimum level)				
Removed at least once a week	All streets	All streets	All streets	All streets
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above Percentage</i>	100 %	100%	100%	100%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	0			
Using communal refuse dump	10 774	10774	10774	100
Using own refuse dump	0			
Other rubbish disposal	None			
No rubbish disposal	8366	8366		3640
<i>Below Minimum Service Level sub-total</i>				
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%	0%
Total number of Households	10774	10774	10774	16200

Households- Solid Waste Services Delivery Levels below the minimum						
Description	2012/2013	2013/14	2014/15	*Households		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal settlements						
Total households	16008	16102	16221	N/A	N/A	16221
Households below minimum service level	4066	4066	4066	N/A	N/A	4066
Proportion of households below minimum service level	25%	25%	25%	%	%	25%
Informal settlements						
Total households	1209	1350	1350	N/A		1350
Households below minimum service level	1209	1350	1350	N/A		1350
Proportion of households below minimum service level	100%	100%	100%	%	%	100%

Employees: Solid Waste Management Services					
Job Level	2014/15	2015/16			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0-3	0	0	0	0	0 %
4-6	2 - Personal to Holder	1	2	1	0 %
7-9	3	4	2	2	50 %
10-12	8	8	8	0	8 %
13-15	0	0	0	0	0 %
16-18	68	83	58	25	30 %
19-20	0	0	0	0	0 %
Total	81	96	70	28	29%

Financial Performance 2014/15: Solid Waste Management Services					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Vacancies to Budget %
Total Operational Revenue	14,793,170.62	19,896,459.00	19,896,459.00	23,921,441.49	1.20%
Expenditure					%
Employees	7,268,036.36	7,988,953.00	8,202,953	7,570,709.06	92%
Repairs and Maintenance					%
Other	526,239.24	9,839,220.00	9,625,220	599,771.20	0.06%
Total Operational Expenditure	7,794,275.60	17,828,173.00	17,828,173.00	8,170,680.26	46%

Greater Kokstad municipality's Integrated Waste Management Plan is currently at a Draft phase and has been workshopped to council. The IWMP makes a comprehensive analysis of the status quo of the municipality's waste management, makes a critical analysis and assesses strategies to address these. Then, the implementation plan summarizes the priority projects and associated actions that are recommended for implementation of the strategies that were developed as part of the IWMP. The IWMP has been submitted to the department of environmental affairs for comments.

The existing landfill site is in Shayamoya and is approximately 2.2ha in size, and over the years it has accumulated waste of more than 40 000 m³. The landfill site is in a fair condition as there are some management measures in place. This site is at capacity and was therefore earmarked for closure by 2012.

The new proposed land fill site is located on a farm east of Horseshoe, which is north east of the CBD. While the old land fill site is still operational, it must be noted that the usage is kept at a minimum due to capacity until such time that the new site has been fully established. The table below indicates the different types of refuse removal within the municipality per ward

Job creation through EPWP* Projects		
Details	EPWP Projects NO.	Jobs created through EPWP Projects NO.
2013/14		105
2014/15	TOTAL	125
	GKM 01	35
	GKM 02	20
	GKM 03	20
	GKM 03	50
2015/16	TOTAL	779
	CWP	550
	YONDABANTU	35
	GKM 01	20
	GKM 02	20

	GKM 03	154
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3.4. HOUSING

The Municipality is currently planning to provide human settlements projects in the following areas:

- a) Makhoba Housing Development - 1400 units (under construction)
- b) Willow-dale Housing Project- 89 units (Stage 1 Planning)
- c) East View Housing Project – 84 units (Stage 1 Planning)
- d) Community residential units (CRU) – 300 units (Stage 1 Planning)
- e) Shayamoya Phase 3 – 700 units (Stage 1 Planning)

Percentage of Households with access to basic housing		2015/16
Total Households (Formal and Informal Settlements)	Households in formal settlements	Percentage of households in Formal settlements
247	40	16%







3.5. FREE BASIC SERVICES AND INDIGENT SUPPORT

The delivery of free basic services to the people is a priority to the Council in order to afford dignity to our community that live below the poverty line. In this group, we include and not limited to the elderly, unemployed, child headed household and people living with disabilities.

Free Basic Services to Low Income Households			
Period	Number of Households		
	Households earning less than R1100/ month		
	Total	Access to Free Basic Electricity	Access to Free Basic Refuse
2014-15	14 163	3389	10774
2015-16	15 240	4466	10774

COMPONENT B: ROADS

3.6. ROADS

The municipality is faced with a huge backlog in terms of gravel road and rehabilitation or asset management of roads. Currently only reactive maintenance is being undertaken i.e. repairing of potholes. Since the Municipality is still struggling collecting revenue, the funding of new roads, upgrading of gravel roads and asset management is very limited.

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2013/14	31km	Nil	5.1km	Nil
2014/15	25.9km	Nil	2.8km	Nil
2015/16	23.1km	Nil	1.9km	Nil

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2013/14	Nil	4.1km	Nil	Nil	Nil
2014/15	4.1km	2.8km	Nil	Nil	Nil
2015/16	6.09km	1.9km	4.19km	Nil	240 m ²

Cost of Construction/ Maintenance						
R'000						
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
2013/14	Nil	R6 214 727	Nil	R6 925 668	Nil	Nil
2014/15	Nil	R14 886 151	Nil	Nil	R1 106 423	Nil
2015/16	Nil	R 9 147 182	Nil	R 23 592 102	Nil	Nil

Capital Expenditure 2015/16: Road Services				
R'000				
Details	2015/16			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original
Total All				%
Rehabilitation of Kokstad Roads Phase 6	R 6 000 000	R 9 085 320.00	R 8 475 007.95	-50.14%
Shayamoya Taxi Route Phase 3	R 4 000 000	R4 901 300.00	R 4 495 800.55	-22.5%
Horse-shoe Taxi Route Phase 3	R 3 700 000	R5 605 280.00	R 4 847 977.68	-51.5%

Top Three Service Delivery Priorities for Ward (Highest Priority First)		
Ward No.	Priority Name and Detail	Progress During 2015/16
1	HORSE SHOE TAXI ROUTE PHASE 3	Construction completed
3.	REHABILITATION OF KOKSTAD ROADS PHASE 6	Overlapped to 2016/17 FY
7	SHAYAMOYA TAXI ROUTE PHASE 3	Construction completed

Horseshoe Taxi route Phase 3



Rehabilitation of Kokstad Roads Phase 6





COMPONENT C: PLANNING & DEVELOPMENT

The purpose of Planning is intended to achieve, promote and improve the physical environment of the Community as a setting for human activities to make it more functional, beautiful, decent, healthful, interesting, and efficient.

This purpose is in accordance with the broad objective of local government to promote the health, safety, morals, order, convenience, prosperity, and general welfare of the community. These phrases are customarily associated with the power pertaining to all acts of government.

To promote the public interest, the interest of the community at large, rather than the interests of individuals or special groups within the community. The comprehensive nature of the SDF contributes to this purpose, for it facilitates consideration of the relationship of any question to the over-all physical development of the entire community. Because the plan is based on facts and on studies that attempt to be thorough and impartial, it helps to prevent arbitrary, capricious, and biased actions. The contributions of the plan to democratic, responsible government help to safeguard the public interest and to facilitate the democratic determination and implementation of community policies on physical development.

Greater Kokstad Municipality has three urban nodes Kokstad Town, Swartberg and Franklin. Kokstad Town is the major economic Centre due to its strategic location in terms of transport network, economic and administrative activities. The National Route (N2) links the area to the major economic nodes such as Port Shepstone and Durban in the KwaZulu-Natal Province and Mthatha in the Eastern Cape Province. The R56 links Kokstad to Ixopo and Pietermaritzburg. The strategic location of Kokstad creates opportunities for economic growth. Emanating from the spatial location of the area is high population growth rate due to high migration of people from the Eastern Cape and Lesotho into the area in search for employment opportunities. The municipality is therefore faced with a challenge of planning, providing basic services, housing and creating employment opportunities for its growing communities.

One major spatial challenge facing the municipality is illegal occupation of land for housing purposes. The municipality has no systems in place to deal with the situation. However, the implementation of Land Use Management System and the preparation of by-laws (to be prepared after the Land Use Scheme has been completed) will enable the municipality to control land use and apply to court to demolish any structure that is in contravention of its Land Use Scheme. This will contribute towards orderly and harmonious development.

The following spatial characteristics, issues and challenges impact on the future development of the Greater Kokstad Municipality and need to be taken forward in the IDP Process:

- Illegal occupation of land for informal housing purposes.
- Mushrooming of informal settlements on flood line and protected wetland areas.
- Kokstad town is presently not presenting a very good image for Greater Kokstad Municipality, due to the character of key infrastructure.
- There is minimal integration of environmental, land use and transport management system.
- A need exists to redirect growth and development to the previously disadvantaged areas and areas of economic opportunity while focusing on the redevelopment of deteriorating areas within the municipal area.
- There has been a substantial increase in the number of illegal small business operators that are conducting business from home without permission. This has given rise to traffic and safety problems as these areas were not designed for such purposes.
- Infrastructure like roads, electricity, and telephones, the main services are in the urban areas.

3.7. PLANNING

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning application received	7	4	2	5	10	16
Determination made in year of receipt	7	4	2	5	10	16
Determination made in following year	Nil	Nil	Nil	Nil	Nil	Nil
Applications withdrawn	Nil	Nil	Nil	Nil	Nil	Nil
Applications outstanding at year end	Nil	Nil	Nil	Nil	Nil	Nil

2014-2015:

Total Operation Cost was R100 000.00 (advertising, registered mail and printing)

Total Revenue Received R 229 457.99 on Development Applications

2015-2016:

Total Operation Cost was R100 000.00 (advertising, registered mail and printing)

Total Revenue Received R 211 884.17 on Development Applications

Employees: Planning Services					
Job Level	2014/15	2015/2016			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
4-6	1	1	1	0	0%
7-9	1	2	1	1	50%

3.8. LOCAL ECONOMIC DEVELOPMENT

Employees: Local Economic Development Services					
Job Level	2014/15	2015/2016			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0-3	1	1	1	0	0%
4-6	1	1	0	1	33.3%
10-12	1	1	1	0	0%
Total	3	3	2	1	

Financial Performance 2015/16: Local Economic Development Services					
Details	R'000				
	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Vacancies to Budget
Total Operational Revenue	R825 726.26	R883 484.19	0.00	R883 484.19	%
Expenditure	0.00	0.00	0.00	0.00	%
Employees	R825 726.26	R883 484.19	0.00	R883 484.19	%
Repairs and Maintenance	0.00	0.00	0.00	0.00	%
Other	0.00	0.00	0.00	0.00	%
Total Operational Expenditure	R825 726.26	R883 484.19	0.00	R883 484.19	%

The municipal LED function has remained unfunded and understaffed over a period of three consecutive years (2013/14 to 2015/16), as there is no provision on the GKM Budget for local economic development. Any and all funding economic development projects have therefore to be raised from external sources, i.e. donor public or private sector. Accordingly, no capital projects can be planned in the continued absence of an approved municipal budget or external funding source.

There have been no capital projects in the year under review. The LED function currently operates with a Manager (Level2) and informal sector Assistant (Grade 12).

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

This component includes: libraries; community halls; cemeteries, stadiums, public toilets, parks, pound management and Operation Sukuma Sakhe.

There is a serious shortage of the above-mentioned services and the existing facilities need frequent repairs because they cannot cope with the number of people that visit them. The department of public works provided funding to employ staff to assist in the maintenance of the facilities.

3.9. LIBRARIES, COMMUNITY FACILITIES

There are two libraries in Greater Kokstad Municipality, one in Kokstad Town and one in Bhongweni. The Kokstad Library has a capacity of 50 persons seated, while Bhongweni Library has a capacity of 43 people including computers with internet access. Library services offer career development activities with schools and work in association with some sector departments in dissemination of information related to health, HIV/Aids awareness and sports development. However, these two libraries are inadequate as they are too small for the population served and do not have adequate study space for students.



The municipality has established another library in Kraansdraai which is in deep rural areas. There is a high school and a junior secondary school near the library. The learners are benefiting from the library especially because the area is 100km from town and there are no other facilities around the area. The libraries have done outreach programs to old age homes and children's' homes. 16 Schools visited the library including crèches.

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2014/15	2015/16			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0-3	0	0	0	0	0%
4-6	1	3	2	1	33%
7-9	3	6	1	5	83%
10-12	0	3	1	2	67%
13-15	0	16	0	16	100%
16-18	0	10	5	5	50%
19-20	0	0	0	0	0%
Total	4	38	9	27	71%

Financial Performance 2014/15: Libraries; Archives; Museums; Galleries; Community Facilities; Other					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Vacancies to Budget %
Total Operational Revenue	19,212,096.38	21,970,0541.00	10,223,541.00	11,652,558.51	1.14%
Expenditure					%
Employees	19,164,4561.04	22,008535.00	22,309,630.00	20,389,512.94	91%
Repairs and Maintenance					%
Other	4,223,861.41	4,713,292.00	5,276,927.00	5,706,252.80	1.08%
Total Operational Expenditure	23,388,422.45	26,721,827.00	27,586,557.00	26,095,765.74	95%

3.10. CEMETERIES AND CREMATORIUMS

There is an under-supply of cemeteries in the area, especially considering the expected number of HIV/AIDS related deaths. Appropriate facilities need to be provided throughout the area with due cognizance of religion, culture and tradition. Update status of cemetery – land was obtained in 2009 and the cemetery was developed with a lifespan of 18 years (2023). This however is inadequate to address the future predicated needs for burials. In addition, for cultural reasons it is required that cemeteries be located relatively “close” to inhabitants. The municipality is currently in the process of acquiring new land for a cemetery to be readily available for burial in 2020.

Employees: Cemeteries and Crematoriums					
Job Level	2014/15	2015/2016			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	0	0	0	0	0%
10-12	1	1	1	0	0%
13-15	0	0	0	0	0%
16-18	6	6	6	0	0%
19-20	0	0	0	0	0%
Total	7	7	7	0	0%

Financial Performance 2015/16: Cemeteries and Crematoriums					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Vacancies to Budget %
Total Operational Revenue	94,426.81	85,819.00	85,819.00	148,334.26	1.73%
Expenditure					%
Employees	1,051,672.15	1,153,997.30	1,153,997.30	1,092,987.37	95%
Repairs and Maintenance	77,838.00	144,570.00	144,570.00	26,790.72	19%
Other	121,390.00	134,750.00	134,750.00	93,530.00	69%
Total Operational Expenditure	1,250,900.15	1433,317.30	1433,317.30	1,213,308.09	85%

3.11. CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

The Municipality has established the Special Programs Unit operating under the Office of the Municipal Manager for the purpose of: -

- Advocating for the vulnerable groups i.e. youth, gender, children, senior citizens and people with disabilities
- Advising the municipality on addressing issues of the vulnerable groups e.g. development of policies, strategic documents
- Co-ordinating and implementing all municipal programs relating to the vulnerable groups
- Mainstreaming issues of the vulnerable groups into all municipal processes and programs

2015/16 Financial Year Achievements:

- The Municipality has recruited 65 Internship which were placed in the Municipality, dept. of Health and Dept. of Education. The Skills Project is funded by Services SETA. We have signed contracts with Services SETA for Internships; Learnerships; Apprenticeship and Bursaries including the construction of the Skills Centre.
- In promotion of Arts and Culture, the Municipality reimburse Local Artist for performance and has a sound relationship with the Local Artist Forum
- Some of the programs within the Special Programs are as follows: -
 - (a)Golden Games for Senior Citizens
 - (b)Pre-school Sport Day
 - (c)Aids Awareness Campaigns
 - (d)Disability Support
- The Municipality has established the following forums in realization of people centered inclusive governance and in promotion of public participation

- (a) Youth Council
- (b) Women's Commission
- (c) Disability Forum
- (d) Moral Regeneration Movement
- (e) Local Aids Council
- (f) Local Artist Forum

Employees for 2015/16: Child Care, Aged Care, Social Programs, Youth, Sport, Arts and Culture					
Job Level	2014/15	2015/16			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
4-6	1	1	1	0	0
7-9	2	2	2	0	0
Total	3	3	3	0	0

COMPONENT E: SECURITY AND SAFETY

Research conducted in the Kokstad area revealed that people are inclined to flout and contravene the regulations and by-laws. Also, the Municipality is strategically located along two major road networks (N2, R617 and R56) so has to contend with an increasing number of road accidents. With the intention of strengthening the law enforcement capacity and ensuring that people perceive the area to be protected, 60 Peace Officers were trained by the Municipality to assist with traffic management and to enforce the by-laws.

Being mindful that Crime levels have an impact on economic development, safety and security in an area requires focused attention to align with the economic objectives and their related impacts/outcomes for the municipal area. The dominant type of crime currently is burglaries, especially in areas of high population density. Inadequate police presence, lack of police stations in rural areas needs to be addressed, in addition to a more visible municipal traffic police.

3.12. POLICE

There are 3 police stations in Kokstad which are Kokstad, Franklin and Swartburg. The police stations are doing very well regarding stock theft. There are challenges with regards to other crimes especially drugs and petty and property crimes.

The police stations have complained about shortage of staff and accommodation. The Greater Kokstad Municipality assists the SAPS in crime fighting programs. The municipality has developed a Community Safety Strategy which has the following interventions:

Intervention 1: Institutional Capacity to Coordinate the Community Safety Plan Implementation

Effective and full-time coordination of the processes essential for the implementation of the Community Safety Plan is required. Coordination cannot be a part time responsibility. Haphazard, part-time coordination will cause role players to lose interest because of perceptions that they are not being taken serious

Intervention 2: Obtain Buy-In

This strategy evolved from an initiative of the provincial sphere of government and not from the governance and policy formulation mechanisms of Greater Kokstad Local Municipality. Local government and Community Safety Forum members' management and policy formulation structures should be made aware of this intervention. The objective is to obtain buy in, support and the passing of relevant resolutions to enable implementation and resourcing.

Intervention 3: Manage Factors Pushing Citizens into Criminal Pathways:

Numerous factors, listed in the above tables, combine in a complex manner to cause crime and insecurity at Greater Kokstad. These factors will need to be managed and addressed to improve safety and security. Youth are a predominant factor in offending and victimization. The focus should range from enhancing law enforcement to improving socio-economic opportunities, particularly of youth, and addressing specific vulnerability factors. The environmental factors are addressed separately as strategic objective 5.

Intervention 4: Serve Victims of Crime:

Victims of crime have specific needs. Various local service providers must seek to develop a clear understanding of the needs of victims and continuously develop interventions to meet these needs. Service providers must develop a shared understanding that victims need to be served and that their needs rather than those of service providers must be met. Immediate needs include the effective management of victims of rape the establishment of a shelter to provide comprehensive services to victims of crime, particularly gender crime, and the extension of victim empowerment services to all victims irrespective of gender.

Intervention 5: Manage the Environmental Factors that Cause Crime:

The focus of this intervention is to address the environmental factors that cause crime and insecurity. They are listed in the table above but include: increasing visibility, re-planning particularly of trust areas so that pathways are reduced, clearing bushes, improving the quality of roads and numbering houses. It is believed that if the Community Safety Plan coordinates the implementation

of strategic interventions and activities within the above five intervention areas, Greater Kokstad Local Municipality will become a safer area.

3.13. FIRE

Disaster Management is regarded as a key issue due to the fact that the municipality is prone to fires and floods. The Greater Kokstad Municipality has a Disaster Management Plan which was prepared in terms of Section 42 of the Disaster Management Act 2002. The objectives of the Disaster Management Plan are to:

Establish effective and efficient institutional arrangements based on joint cooperation and collateral support which will give effect to the principles of cooperative governance and wide stakeholder participation.

- Facilitate Council's cooperation with National and Provincial Spheres including Harry Gwala District municipality.
- Provide an initial macro qualitative assessment for the Municipality as a whole which will, as a point of departure, produce a profile by which the extent and nature of disaster risk in the area can be determined. The assessment will be conducted by accessing indigenous knowledge, studying weather patterns and the history of past events to identify potential hazards and evaluate existing conditions of vulnerability that pose a potential threat to people, property, livelihoods and the environment in the area.
- Direct the initial prioritization of disaster risk reduction measures for integration into Council's IDP which are aimed at reducing existing conditions of vulnerability in disaster prone areas in the municipal area.
- Provide the framework for commissioning a scientifically conducted risk assessment to identify areas and communities at risk (CARs) and to inform the development of a comprehensive disaster risk reduction strategy based on the outcomes of the assessment.

REDUCTION AND PREVENTION

There are eight key planning points or requirements that must be applied when planning for disaster risk reduction initiatives. These must form part of the annual reporting of the municipalities and municipal organs of state to the DMC.

1. Use disaster risk assessment findings to focus planning efforts.
2. Establish an informed multidisciplinary team with capacity to address the disaster risk and identify a primary entity to facilitate the initiative.
3. Actively involve the communities or groups at risk.
4. Address the multiple vulnerabilities wherever possible
5. Plan for changing risk conditions and uncertainty, including effects of climate variability.
6. Apply the precautionary principle to avoid inadvertently increasing disaster risk.
7. Avoid unintended consequences that undermine risk avoidance behavior and ownership of disaster risk.
8. Establish clear goals and targets for disaster risk reduction initiatives, and link monitoring and evaluation criteria to initial disaster risk assessment findings

DISASTER RISK REDUCTION ACTIVITIES

A number of risk reduction measures can be identified related to the highest rated identified risks. These measures should be decided upon in consultation with the relevant responsible departments. Some of the possible measures are listed below:

RISK ASSESSMENT

Due to the focus of the Disaster Management Plan on risk reduction, it is important to include a prioritized risk rating in the Disaster Management Plan. This risk rating will be used to guide future risk reduction initiatives in the municipality. Previous risk assessments and risk prioritization exercises have been completed in the district. It is important to consider the results of previous assessments in order to identify possible changes in the risk profile of the municipality, and to address these changes through adequate planning initiatives. Results from previous as well as more recent assessments are discussed below:

Risk Prioritisation Table for the Greater Kokstad Municipality. Table 9: Risk Prioritisation

Hazards	Exposure	Severity	Probability	Total Risk	Actions Needed
Snow	Continuous (3 / 3)	Extreme (3 / 3)	Likely (3 / 3)	Destructive (27 / 27)	Risk Reduction Interventions and Preparedness Planning
Water Pollution - Informal Settlements	Continuous (3 / 3)	Extreme (3 / 3)	Likely (3 / 3)	Destructive (27 / 27)	Urgent Risk Reduction Interventions
Human Diseases - HIV/AIDS	Continuous (3 / 3)	Extreme (3 / 3)	Likely (3 / 3)	Destructive (27 / 27)	Risk Reduction Interventions and Preparedness Planning
Alien Vegetation	Continuous (3 / 3)	Moderate (2 / 3)	Likely (3 / 3)	Destructive (18 / 27)	Urgent Risk Reduction Interventions
Fires	Occasional (2 / 3)	Moderate (2 / 3)	Likely (3 / 3)	Tolerable (12 / 27)	Preparedness Planning
Drought	Occasional (2 / 3)	Moderate (2 / 3)	Likely (3 / 3)	Tolerable (12 / 27)	Preparedness Planning
Conservation areas	Occasional (2 / 3)	Moderate (2 / 3)	Likely (3 / 3)	Tolerable (12 / 27)	Risk Reduction Interventions and Preparedness Planning
Tuberculosis	Occasional (2 / 3)	Moderate (2 / 3)	Likely (3 / 3)	Tolerable (12 / 27)	Risk Reduction Interventions and Preparedness Planning
Civil Unrest	Occasional (2 / 3)	Moderate (2 / 3)	Likely (3 / 3)	Tolerable (12 / 27)	Risk Reduction Interventions and Preparedness Planning
Animal Diseases	Occasional (2 / 3)	Moderate (2 / 3)	Likely (3 / 3)	Tolerable (12 / 27)	Risk Reduction Interventions and Preparedness Planning

TRAINING AND AWARENESS

The Greater Kokstad Disaster Management, along with Local Municipal, District, Provincial and Municipal organs of state and municipalities will also formulate and implement appropriate disaster risk management public awareness programs that are aligned with the national disaster risk management public awareness strategy and will play an active part in engaging schools to ensure a practical approach to education and awareness programs.

School disaster risk management awareness programs in The Greater Kokstad Municipality will be conducted, assessed and adapted on an annual basis. Community resilience-building is crucial and a

first capacity-building priority is the consultative development of a uniform approach to community-based risk assessment for municipalities and non-governmental and community-based organizations throughout The Greater Kokstad Municipality. This will contribute considerably to closer links between disaster risk reduction and development planning in disaster-prone areas and communities.

DISASTER MANAGEMENT PLAN

The Greater Kokstad Municipality prepared this Level 1 Disaster Risk Management Plan, in which the scope, objectives, management issues and other elements pertaining to disaster management are outlined. This Plan aims to achieve the following objectives:

- Prevention and reduction of disaster risks;
- Mitigation of impacts; preparedness for effective response to disasters;
- Minimize loss and property damage; and quick recovery from the impacts.

The Plan articulates actions to prevent and mitigate disasters and how risk reduction measures are dealt with in the long-term and managing emergencies in the shorter term, including aspects of preparedness, response and recovery. Provision is also made for the periodic reviews and updates of the plans.

This Plan establishes the arrangements for disaster risk management within The Greater Kokstad Municipality and has been prepared in accordance with the requirements of the Disaster Management Act, 57 of 2002 (the Act).

This Plan should be read in conjunction with The Sisonke District Disaster Management Framework and Plan, as well as Provincial and National legislation, policy and guidelines.

This living document is a collation of information and inputs received from the different stakeholders and need to be constantly reviewed and updated.

Fire Service Data					
No.	Details	2014/15	2015/16		2016/17
		Actual No.	Estimated No.	Actual No.	Estimated No.
1	Total fires attended in the year	371	200	165	100
2	Total of other incidents attended in the year	75	89	78	70
3	Average turnout time – urban areas	20	100	50	80
4	Average turnout time – rural areas	55	50	47	70
5	Fire fighters in post at year end	32	18	18	18
6	Total fire appliances at year end	32	26	24	20
7	Average number of appliance off the road during the year	32	26	24	20

Employees for 2015/16: Fire Services					
Job Level	2014/15	2015/16			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
Chief Fire Officer & Deputy					
Other Fire Officers					
0-3	01	01		01	0%
4-6		01			
7-9		05	05	0	0%
10-12	05	16	15	1	6%

13-15	15				
16-18					
19-20					
Total	21	23	20	2	9%

Financial Performance for 2015/16: Fire Services					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	1,079,913.73	1,213,230.00	1,213,230.00	1,113,770.25	92
Expenditure:					
Employees	4,153,814.24	4,032,429.62	4,450.603	4,551,147.86	1.02
Repairs & Maintenance		20.000	55.000	22,652.05	41
Other	8,561,545.35	252,000.00	215,957	1,052,442.37	4.87
Total Operational Expenditure	12,715,359.59	4,304,429.62	4,72,1,560.00	5,62,6242.28	1.19

COMPONENT F: SPORT AND RECREATION

The Municipality has established sound relationship with Department of Sport and Recreation, Harry Gwala District Municipality, Local Sport Confederation and Sport Confederations. The Greater Kokstad Municipality view sport as a catalyst in promoting social cohesion and a healthy nation. The Municipality consists of 10 wards with a total population of 65 981 and of which 47 352 are under the age of 35 years.

The Greater Kokstad Municipality residents and schools enjoy maximum access to the Municipal Sport facilities.

Soccer alone has more than 45 teams that are using the facilities, with 17 teams playing in the Local League, 5 teams playing in Castle League, 2 teams playing in Vodacom League, 10 Teams in Development League and more than 10 teams not registered in the league.

Netball is another code with more than 10 teams' males and females, Basketball with more than 8 teams' males and Females.

Employees for 2015/16: Sports & Recreation					
Job Level	2014/15	2015/16			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
4-6	1	1	1	0	0
Total	1	1	1	0	0

In 2015/16 financial year, the Municipality staged the Mayoral Games where 7 Sport Codes participate, namely:

a) Soccer



b) Athletics



- c) Chess
- d) Rugby
- e) Netball
- f) Volleyball
- g) Basket Ball

The games are also used to select athletes for SALGA games sections at local level. The Municipality every financial year budget for Provincial SALGA Games.

Sport Assistance: - The Municipality has set aside budget to support players who are selected in school's sport. On annual basis, the Municipality receive request from individual player and school requesting money for registration, accommodation and sport attire.

COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.14. FINANCE

All our financial policies were reviewed for the 2015/2016 financial year. The municipality initiated a data cleansing exercise of the billing information as one of the initiatives to ensure an improved revenue collection.

Employees for 2015/16: Finance Services				
Job Level	2015/16			
	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
0-3	7	4	3	43%
4-6	15	11	4	27%
7-9	8	3	5	63%
10-12	9	3	6	67%
Total	39	21	18	

Financial Performance for 2015/16: Finance Services				
Details	2014/15	2015/16		
	Actual	Original Budget	Adjustment Budget	Actual
Total Operational Revenue	R324 604 972.00	R294 854 742.00	R300 253 529.00	R312 987 660.00
Expenditure:				
Employees	R88 889 690.00	R103 056 808.00	11,182,975	R95 903 366.00
Repairs & Maintenance	R6 093 408.00			R8 266 623.00
General expenses	R57 285 316.00			R57 913 779.00
Bulk Purchases	R68 479 343.00			R75 885 783.00
Other	R51 363 240.00	R72 754 202.00	97,449,071	R57 821 188.00
Total Operational Expenditure	R272 110 997.00	R93 944 030.00	108,632,046	R278 568 945.00
Net Operational Expenditure	R52 493 975.00	64,658,295	46,602,753	75,283,774

Employees for 2015/16: Financial Services				
Job Level	2015/16			
	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
0-3	3	1	2	100%
4-6	2	2	0	0%

7-9	3	1	2	66%
Total	8	4	4	

3.15. HUMAN RESOURCES SERVICES

The Human Resources section is responsible for amongst others the following: Recruitment and Selection, Training and Development, Labor Relations, Leave administration, staff benefits, HIRS as well as custodian of human resources policies, collective agreements and Labor legislations e.g. BCEA, Employment Equity Act, Skills Development Act, Labor Relations act etc. To ensure efficiency of the HR division has continuously provided support to sister departments to ensure that the human capital is managed effectively and efficiently.

Employees for 2015/16: Human Resources Services					
Job Level	2014/15	2015/16			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
0-3	1	1	1	0	0%
4-6	3	5	3	2	40%
7-9	4	4	4	0	0%
10-12	0	3	0	3	100%
Total	8	13	8	5	38%

3.16. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Issues that were highlighted by Auditor-General were all attended to including storage access network. The municipality has conducted a comprehensive study on the ICT Risk Methodology and functioning in the 2015/ 16 financial year which talks to the current challenges relating to ICT. There is a high lack of ICT personnel since the resignation of senior personnel that left a vacuum and overload of work and non-segregation of duties. Most of the ICT projects could not be implemented in the financial year due to budgetary constraints.

3.17. PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

LEGAL SERVICES

The Legal Section is located within the Office of the Municipal Manager. However, other legal services are outsourced as when needed.

RISK MANAGEMENT AND PROCUREMENT SERVICES

Risk Management and Procurement are crucial aspects at Greater Kokstad Municipality to ensure an effective, efficient and transparent system of risk management and financial management.

COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD (ANNUAL PERFORMANCE REPORT)

GREATER KOKSTAD MUNICIPALITY														
SCORECARD - 2015/16 ANNUAL PERFORMANCE REPORT														
KPA 1: Municipal Transformation and Institutional Development														
B2B PILLER 1: Building Institutional and Administrative Capabilities														
IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ Unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
OPMS 01 - IDP PG 127 KPA 1	Differentiated approach to municipal financing, planning and support	Increase Performance and Performance Management System	Number of Monthly SDBIP Reports submitted to Standing Committee	N/A	N/A	12 Monthly SDBIP Reports submitted to Standing Committee by 30 June 2016	12 Monthly SDBIP Reports were submitted to Standing Committee	Achieved	N/A	N/A	N/A	N/A	Minutes of meeting, attendance register; monthly Reports	OPMS
		Increase Performance and Performance Management System	Mid Term Performance Report submitted to AC for Approval and to standing Committee & Council for Adoption	Submission of Draft Mid Term Performance Report to Council for adoption by 25 Jan 2015	Submission of Draft Mid Term Performance Report to Council for adoption by 22 Jan 2015	Submit Mid-term Performance Report to AC for approval and to Standing Committee and to Council for adoption by 25 January 2016	Mid-term Performance Report was submitted to AC for approval and to Standing Committee and to Council for adoption	Achieved	N/A	N/A	N/A	N/A	Minutes of meeting, attendance register; monthly Reports	OPMS
OPMS 05 - IDP PG 127 KPA 1		Increase Performance and Performance Management System	2016/17 SDBIP Presented to Council for adoption by date	2015/16 SDBIP Presented to Mayor for Approval by 30 June 2015	2015/16 SDBIP Presented to Mayor for Approval by 30 June 2015	Present 2016/17 SDBIP to Council for adoption by 15 June 2016	2016/17 SDBIP was presented to Council for adoption	Achieved	N/A	N/A	N/A	N/A	Endorsed copy of the SDBIP Council Resolution / minutes	OPMS
ADM 01 - IDP PG 130 KPA 1		Functional registry and records management system	Number of Documents circulated through EDMS	Circulation of 20000 documents through EDMS by June 2015	Circulation of 20000 documents through EDMS by June 2015	Circulation of 20000 documents through EDMS by June 2016.	Circulation of 20000 documents done through EDMS	Achieved	N/A	N/A	R250 000	R192 240	EDMS REPORTS	Administration

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ Unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
ADM 02 – IDP PG 130 KPA 1	Differentiated approach to municipal financing, planning and support	Optimise system, procedures and processes	Number of Municipal By-laws developed by certain period	4 Municipal By-laws developed by 31 March 2015	0 Municipal By-laws were developed in the 2014/15 FY	4 Municipal By-laws developed by 31 March 2016	4 Municipal By-laws were developed date	Achieved	N/A	N/A	N/A	N/A	4 Copies of developed Municipal By-laws	Administration
			Number of Policies reviewed and/ or developed	12 Policies reviewed and/ or developed.	0 Policies reviewed in the 2014/15 FY	12 Policies reviewed and/ or developed by 30 June 2016	12 Policies were reviewed and/ or developed	Achieved	N/A	N/A	N/A	N/A	Copies of developed and/or reviewed Policies.	Administration
Optimise system, procedures and processes		Number of Operational vehicles reduced to not more than 5 per month	Not more than 15 vehicles in-operational per quarter.	Not more than 15 vehicles in-operational per quarter.	Only 15 vehicles in-operational per quarter.	Only 15 vehicles were in-operational in each quarter throughout the year	Achieved	N/A	N/A	R7 389 000.00	R5921 538.00	Monthly reports	Fleet Management	
Optimise system, procedures and processes		All municipal vehicles due for licensing licensed every month	Licensing of vehicles will be done on or before the 15th of every month	Licensing of vehicles will be done on or before the 15th of every month	Licensing of vehicles must be done by 15th of every month	Licensing of vehicles was done by 15th of every month	Achieved	N/A	N/A	N/A	N/A	Monthly reports	Fleet Management	
Optimise system, procedures and processes		Active vehicle tracking system and cost effective vehicle hiring	Active vehicle tracking and sustained vehicle parts replacement	Active vehicle tracking and sustained vehicle parts replacement	At all times all tracking devices installed in all municipal vehicles must be functioning	Tracker is not active in 1 vehicle for Deputy Mayor	Not Achieved	Tracker couldn't be activated because the car is always busy	To be activated in the new Financial years' first quarter	N/A	N/A	N/A	Fleet Management	
TM 01 – IDP PG 130 KPA 1		Optimise system, procedures and processes	Telephone expenditure (usage) of managed lines to be kept within budget	Telephone expenditure (usage) of managed lines to be kept within R1, 100, 000	Telephone expenditure (usage) of managed lines are kept within R1, 100, 000	Telephone expenditure (usage) of managed lines to be kept within R1, 282, 000	Telephone expenditure (usage) of managed lines has been kept within R1, 282, 000	Achieved	N/A	N/A	R250 000	R1710118	Telephone usage reports	Telephone Management

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non- achievement	Corrective Measures	Budget	Expendit ure Incurred	Means of Verification	Responsibl e Departmen t/ Unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
HRD 01 – IDP PG 127 KPA 1	Differentiated approach to municipal financing, planning and support	To improve skills capacity for the municipality to render effective services	Number of Key Critical Posts filled by date	N/A	N/A	2 Critical Posts filled by 31 October 2015	2 Critical Posts were filled	Achieved	N/A	N/A	N/A	N/A	Appointmen t Letters	Human Resources Developmen t
		To improve skills capacity for the municipality to render effective services	A certain time period for filling of vacant posts due to resignation, termination, retiring or other related dynamics	N/A	N/A	Filling of posts within 70 days from event	Post of CFO became vacant on 1 July 2015 and was filled on 03 May 2016	Not Achieved	Both the post of Ex Manager Corporate Services and CFO had to be re advertised causing a delay in appointing within 70 days	Ensure that filling of posts is done accordingly	N/A	N/A	Report	Human Resources Developmen t
HRD 02 – IDP PG 127 KPA 1		Mechanisms to ensure adherence to the Leave Policy and Management of staff leave	Reconcile number of Leave Information Reports presented to Standing Committee	N/A	N/A	12 Reports presented to Standing Committee by 30 June 2016	12 Reports on leave information were presented to Standing Committee	Achieved	N/A	N/A	N/A	N/A	Minutes; attendance register; Monthly Reports	Human Resources Developmen t
		Mechanisms to ensure adherence to the Leave Policy and Management of staff leave	Submission of Leaves Accruals	N/A	N/A	Submit to Finance leave accruals By 30 June 2016	leave accruals were submitted to Finance	Achieved	N/A	N/A	N/A	N/A		Human Resources Developmen t
HRD 03 – IDP PG 127 KPA 1		To improve skills capacity for the municipality to render effective services	2016 - 2017 WSP presented to Standing Committee for Council Adoption	2014/2015WSP trainings conducted and 2015/2016 WSP and 2014/2015 ATR submitted the LGSETA by 30 June 2015	2014/2015WSP trainings conducted and 2015/2016 WSP and 2014/2015 ATR submitted to the LGSETA by 30 April 2015	2016 – 2017 WSP presented to Standing Committee for Council Adoption by 30 April 2016	2016 – 2017 WSP was presented to Standing Committee for Council Adoption	Achieved	N/A	N/A	N/A	N/A	Minutes; attendance register; resolution; Copy of WSP Reports	Human Resources Developmen t

IDP REF NO.	Outcome e g	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ Unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
HRD 03 – IDP PG 127 KPA 1	Differentiated approach to municipal financing, planning and support	To improve skills capacity for the municipality to render effective services	Percentage of Implementation of WSP completed	2014/2015WSP trainings conducted and 2015/2016 WSP and 2014/2015 ATR submitted the LGSETA by 30 June 2015	2014/2015WSP trainings conducted and 2015/2016 WSP and 2014/2015 ATR submitted to the LGSETA by 30 April 2015	100% of WSP implemented by 30 June 2016	100% of WSP was implemented	Achieved	N/A	N/A	N/A	N/A	Copy of WSP Reports	Human Resources Development
		To improve skills capacity for the municipality to render effective services	Number of WSP Implementation Reports presented to Standing Committee and CoGTA	2014/2015WSP trainings conducted and 2015/2016 WSP and 2014/2015 ATR submitted the LGSETA by 30 June 2015	2014/2015WSP trainings conducted and 2015/2016 WSP and 2014/2015 ATR submitted to the LGSETA by 30 April 2015	12 WSP Implementation Reports presented to Standing Committee and CoGTA by 30 June 2016	9 WSP Implementation Reports were presented to Standing Committee and CoGTA	Not Achieved	No trainings took place during Q3 due to budgetary constraints	Ensure that trainings are budgeted for in the next financial year	N/A	N/A	Minutes; attendance register; Copy of WSP Reports	Human Resources Development
HRD 04 – IDP PG 127 KPA 1		To ensure that the municipality adheres to employment equity standards	Percentage of Implementation of Strategy completed	N/A	N/A	100% of implementation strategy completed by 30 June 2016	0% of implementation strategy	Not Achieved	Due to moratorium on recruitment targets could not be met.	Ensure compliance with the Equity Employment Plan in the new Financial year	N/A	N/A	N/A	Human Resources Development
		To ensure that the municipality adheres to employment equity standards	Number of Implementation Reports presented to Standing Committee	N/A	N/A	12 Implementation Reports presented to Standing Committee by 30 June 2016	12 Implementation Reports were presented to Standing Committee	Achieved	N/A	N/A	N/A	N/A	Minutes; attendance register; monthly Reports	Human Resources Development
HRD 05 – IDP PG 127 KPA 1		To improve skills capacity for the municipality to render effective services	Number of Draft HR Policies, Plans and Procedure Manuals submitted to Standing Committee, EXCO for Council Adoption	N/A	N/A	12 Draft HR Policies, Plans and Procedure Manuals submitted to Standing Committee, EXCO for Council Adoption by 30 June 2016	14 Draft HR Policies, Plans and Procedure Manuals were submitted to Standing Committee, EXCO for Council Adoption	Achieved	N/A	N/A	N/A	N/A	Reports Policies Council Resolutions	Human Resources Development

IDP Ref No.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 Financial Year		2015/16 Financial Year		Status (Achieved/ Not Achieved)	Reason For Non-Achievement	Corrective Measures	Budget	Expenditure Incurred	Means Of Verification	Responsible Department/ Unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
HRD 06 – IDP PG 127 KPA 1	Differentiated approach to municipal financing, planning and support	To improve skills capacity for the municipality to render effective services	Number of Interns maintained in Municipality throughout the year	N/A	N/A	13 Interns maintained in Municipality By 30 June 2016	(85 INTERNS) 9 Municipal Interns; 14 SDA Interns and 62 SETA Interns were maintained by the Municipality	Achieved	N/A	N/A	N/A	N/A	Attendance Registers	Human Resources Development
HRD 07 – IDP PG 127 KPA 1		Optimise system, procedures and processes	Number of Payroll Administration Reports Compiled	N/A	N/A	12 Payroll Administration Reports Compiled by 30 June 2016	12 Payroll Administration Reports were compiled	Achieved	N/A	N/A	N/A	N/A	Reports	Human Resources Development
HRD 08 – IDP PG 127 KPA 1			Number of Performance Contracts signed for employees on Post Level 1-4	All Performance contracts signed for employees on Post Level 0-4 by 31 July 2014	All Performance contracts signed for employees on Post Level 0-4 by 31 July 2014	5 level 0-1 Performance agreements signed and submitted to Cogta by 14 August 2015 14 level 2-4 Performance contracts signed by the 15 August 2015	5 level 0-1 Performance agreements were signed and submitted to Cogta by 14 August 2015 14 level 2-4 Performance contracts were signed on the 15 th of August 2015	Achieved	N/A	N/A	N/A	N/A	Performance agreements	Human Resources Development
HRD 09 – IDP PG 127 KPA 1		Optimise system, procedures and processes	Number of Reports on Policy Implementation	N/A	N/A	4 Reports on Policy Implementation submitted to standing committee by 30 June 2016	4 Reports on Policy Implementation were submitted to standing committee	Achieved	N/A	N/A	N/A	N/A	Minutes; attendance register; Quarterly Reports	Human Resources Development
HRD 11 – IDP PG 127 KPA 1		Optimise system, procedures and processes	Procurement and Delivery of Protective Clothing	N/A	N/A	Protective Clothing procured and delivered by 30 June 2016	Protective Clothing were procured and delivered	Achieved	N/A	N/A	R 1 236 373.00	1 229 832.00	Signed receipts of goods per department	Human Resources Development
LSM 01 - KPA 1		Optimise system, procedures and processes	Number of Reports on legal services management submitted	12 reports tabled to council by 30 June 2015	0 reports tabled to council by 30 June 2015	12 Monthly Reports submitted by 30 June 2016	3 Monthly Reports were submitted	Not Achieved	Responsible person resigned and new person hasn't been appointed	Revise organogram and appoint responsible person if funding is available	R500 000.00	R0.00	Minutes; attendance register; monthly Reports	Legal Services Management

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non- achievement	Corrective Measures	Budget	Expendi- ture Incurred	Means of Verification	Responsibl e Departmen t/ Unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
ICT 01 – IDP PG 130 KPA 5	Differentiated approach to municipal financing, planning and support	Optimise system, procedures and processes	Minimise downtime on preventable interruptions to ICT services	Maximum of 60 hours' downtime on preventable interruptions to ICT services	Maximum of 60 hours' downtime on preventable interruptions to ICT services	Minimum of 95% uptime of all IT changes achieved by end of each month	Achieved the minimum of 95% uptime of all IT changes at end of each month	Achieved	N/A	N/A		R1 124 314.00	Report from ICT network monitoring tools Monthly ICT report	Information Communicat ion Technology
			Number of Licensing of municipal software applications renewed, reviewed and licenced	Licensing for 4 municipal software applications renewed and reviewed	Licensing for 4 municipal software applications renewed and reviewed	4 municipal software applications renewed, reviewed and licenced by 30 June 2016	4 municipal software applications were renewed, reviewed and licenced	Achieved	N/A	N/A				Information Communicat ion Technology
ICT 02 – IDP PG 130 KPA 1		Optimise system, procedure and processes	Number of service meetings and quarterly review meeting held Appointed ICT service provider by set date	12 monthly service meetings and 4 quarterly review meetings held	12 monthly service meetings and 4 quarterly review meetings held	6 service meetings and 2 review meetings held by 31 December 2015 Appointment of ICT service provider by 30 June 2016	6 monthly service meetings and 2 review meetings have been held; No Appointment of ICT service provider	Not Achieved	Delays in the appointment of the ICT Managed Services by SCM	Service provider to be appointed in 1 st quarter of the new financial year	R 850 000.00	R0.00	Minutes; attendance register; monthly Reports	Information Communicat ion Technology
ICT 03 – IDP PG 130 KPA 1			Number of Priority projects from the Disaster Recovery Plan implemented	4 Priority projects implemented	4 Priority projects implemented	4 Priority projects implemented by 30 June 2016	4 Priority projects have been implemented	Achieved	N/A	N/A	N/A	N/A	Project close out reports	Information Communicat ion Technology
CCS 01 – IDP PG 130 KPA 1		Acknowledgeme nt and response to correspondence	Number of Monthly reports on the Customer Care System	N/A	N/A	12 Monthly Reports submitted to Standing Committee and Council by 30 June 2016	12 monthly reports were submitted to standing committee and council	Achieved	N/A	N/A	N/A	N/A	Minutes; attendance register; monthly Reports	Customer Care
HRD 10 – IDP PG 127 KPA 1		Promote participative, facilitative and accountable governance	Number of Meetings held per annum	N/A	N/A	12 local labour forum meetings Held by 30 June 2016	2 local labour forum meetings have been held	Not Achieved	Meetings were postponed due to quorum not being met	Ensure that meetings are held accordingly	N/A	N/A	Monthly Reports; Minutes of meeting	Human Resources Developmen t

KPA 2: Basic Service Delivery														
B2B PILLER 2: Delivery of Basic Services														
IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
PMUCE 01 - IDP PG 128 NKPA 2	Improved access to basic services	To ensure proper management and maintenance of the existing infrastructure	km of road component done by Quarter	2.8km's road tarred by 30 September 2014. 1km of layer works done by June 2015	2.8km's of road tarred by 30 September 2014; 1km of layer works done by June 2015	2.13 km of road tarred by 30 June 2016	2.43 km of road tarred	Achieved	N/A	N/A	R 9 085 320.00	R8 475 007.95	Progress minutes of meetings Weekly reports; Photos; Practical completion certificates	Project Management Unit and Civil Engineering
PMUCE 02 - IDP PG 128 NKPA 2		To ensure proper management and maintenance of the existing infrastructure	km of road component done by Quarter	1km of layer works done by June 2015	1km of layer works done by June 2015	1.76 km of road tarred by 30 June 2016	1.76 km of road tarred	Achieved	N/A	N/A	R4 901 300.00	R4 495 800.55	Progress minutes of meetings Weekly reports; Photos; Practical completion certificates	Project Management Unit and Civil Engineering
PMUCE 03 - IDP PG 128 NKPA 2		To ensure proper management and maintenance of the existing infrastructure	km of road component done by Quarter	1km of layer works done by June 2015	1km of layer works done by June 2015	1.79km of road tarred by 30 June 2016	1.79km of road tarred	Achieved	N/A	N/A	R5 605 280.00	R4 847 977.68	Progress minutes of meetings Weekly reports; Photos; Practical completion certificates	Project Management Unit and Civil Engineering
PMUCE 04 - IDP PG 128 NKPA 2		To ensure proper management and maintenance of the existing infrastructure	Number of Inspection of landfill site by EDEAT conducted	Monthly maintenance of the landfill site	Maintenance of landfill site maintained on monthly basis	4 Landfill site Inspection conducted by EDEAT for the by 30 June 2016	On-going maintenance (inspection) of 4 Landfill sites	Achieved	N/A	N/A	R 2 000 000	R1 337 994.40	Monthly reports	Project Management Unit and Civil Engineering

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
PMUCE 05 - IDP PG 128 NKPA 2	Improved access to basic services	To ensure proper management and maintenance of the existing infrastructure	Construction of New Landfill site	40% Construction Completed	0% Construction Completed	New Landfill Site Constructed by 30 June 2016	Terms of reference and advert for appointment received from EDEAT on	Not Achieved	Engineer that did the basic designs that enabled the Rod was planned to continue with the project but AFCD did not approve proposal from IPD then the SCM process had to be followed	Terms of reference were submitted to SCM and took the whole to respond	R0.00	R0.00	Correspondence from EDEAT, RoD, ToR	Project Management Unit and Civil Engineering
ES 01 – IDP PG 132 NKPA 2		To develop viable alternative energy generation options	Number of households electrified	220 Households electrified in Shayamoya by 31 March 2015	247 Households electrified in Shayamoya by 14 April 2015	88 No of houses electrified by 30 June 2016	92 houses have been electrified in new market and maraiskop	Achieved	N/A	N/A	R 2 700 000.00	R1 782 675.17 (plus 2 V. O's) R473 153.89 & R231 152.51	Appointment letter, Site meeting minutes, Completion certificate/ closeout report	Electrical Services
ES 02 – IDP PG 132 NKPA 2		To develop viable alternative energy generation options	Number of Sites serviced	N/A	N/A	32 sites serviced by 30 June 2016	The project is still under SCM Process	Not Achieved	The project was re-advertised due to non-qualification of the service providers but the SCM process took longer than expected	Requested supply chain to perform	R 1000 000	R0.00	TORs, Letter of Appointment; Advert; Briefing meeting register	Electrical Engineering

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
ES 03 – IDP PG 132 NKPA 2	Improved access to basic services	To develop viable alternative energy generation options	Number of Street lights fitted with LED lights	N/A	N/A	500 No of Led fittings done by 30 June 2016	The contractor has been appointed	Not Achieved	The business plan was only approved by DoE in February 2016 instead of October 2015 as per the work plan which made the project to be delayed,	Requested supply chain to perform	R 3 000 000.00	R147 807.02	ToRs Appointment letter Site meeting minutes	Electrical Engineering
ES 04 – IDP PG 132 NKPA 2		To develop viable alternative energy generation options	Number of Skyjacks purchased by date	N/A	N/A	1 Skyjack purchased by 30 June 2016	0 Skyjack purchased	Not Achieved	The project was re-advertised in Q3 due to none qualification of the service providers but the supply chain processes took longer than expected	Requested supply chain to perform	R 750 000.00	R0.00	Advert; ToRs; Appointment letter; minutes of meetings	Electrical Engineering
BC 01 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	New Youth Indoor Centre completed to Roof Level by date	Complete New Youth Indoor Centre to Roof Level by 30 June 2015	Preliminaries 47% Alterations 36% Foundations 33% Concrete Formwork 74% Waterproofing 15% Plastering 0.56% Plumbing 11% External works 24% Electrical 6%	Complete New Youth Indoor Centre to Roof Level by 30 June 2016	New Youth Indoor Centre was not completed	Not Achieved	The delays were due by poor performance of the contractor. All the building work up to roof level was achieved but the completion certificate could not be issued as testing of items like electricity, plumbing was not yet done	The contract was put on terms and penalties were instituted	R 7,000,000.00	R10 047 075.84	Site meeting minutes Photos Completion certificate/ closeout report	Building Control

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
BC 02 – IDP PG 128 NKPA 2	Improved access to basic services	To ensure proper management and maintenance of the existing infrastructure	Ward 8 Community Hall at Roof level by date	Town Hall phase 2 upgrade by 30 June 2015	Town Hall phase 2 upgrade by 30 June 2015	Construct Ward 8 Community Hall from Brickwork to roof level by 30 June 2016	Construction of Community Hall was at Window Level	Not Achieved	Delays due to late start of the project by contractors	Double effort by contractor	R2,550,000.00	R795 242.34	Site meeting minutes Photos	Building Control
WM 01 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	% of Recyclables diverted from landfill site for re-use, recycling or recovery	N/A	N/A	25% of Recyclables diverted from landfill site for re-use, recycling or recovery for the 2015/16 FY	25% of Recyclables were diverted from landfill site for re-use, recycling or recovery	Achieved	N/A	N/A	N/A	N/A	Copy of e report from the recycling companies.	Waste Management
		To ensure provision of basic services to communities in a sustainable manner	Number of Households participated in the separation at source program	N/A	N/A	500 households participated in the separation at source program per from July 2015 – June 2016	The contracts of 16 people that had started expired and the program had to be stopped	Not Achieved	Contract ended for the Team from Environmental Affairs	Contract with the team from Environmental Affairs to be renewed and to be trained along with identified households	N/A	N/A	N/A	Waste Management
		To ensure provision of basic services to communities in a sustainable manner	Number of Businesses participate in an e-waste recycling program	N/A	N/A	20 (No.) Businesses participate in the e-waste recycling program from July 2015- June 2016	0 Businesses participate in the e-waste recycling program	Not Achieved	Contract ended for the Team from Environmental Affairs	Contract with the team from Environmental Affairs to be renewed and to be trained along with identified businesses	N/A	N/A	N/A	Waste Management

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
WM 02 – IDP PG 132 NKPA 2	Improved access to basic services	To ensure provision of basic services to communities in a sustainable manner	Number of Households with access to refuse removal	N/A	N/A	10 774 Households with access to refuse removal on monthly basis throughout the year	There are 10 774 Households with access to refuse removal on monthly basis throughout the year	Achieved	N/A	N/A	N/A	N/A	Register	Waste Management
		To ensure provision of basic services to communities in a sustainable manner	Collection of waste for households and businesses	CBD cleaned once per week	CBD cleaned once per week	Town streets to be cleaned daily and residential streets to be cleaned at least once a week	Town streets have been cleaned on daily basis and residential streets have been cleaned at least once a week	Achieved	N/A	N/A	N/A	N/A	Register	Waste Management
WM 03 – IDP PG 132 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Number of Jobs created and Business opportunities through waste.	100 jobs created	120 jobs created	1000 people are employed and 2 recycling companies are supported	1050 people were employed and 2 recycling companies have been supported	Achieved	N/A	N/A	N/A	N/A	Appointment letters, Payroll register	Waste Management
WM 04 – IDP PG 132 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Run local awareness campaigns and including school awareness campaigns	N/A	N/A	100% of schools, 100% of urban households and 8 % of rural households.	100% of awareness campaigns were conducted in schools and urban households and 8 % in rural household's	Achieved	N/A	N/A	R0.00	R0.00	Attendance registers, Pamphlets	Waste Management
WM 05 – IDP PG 132 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Number of refuse bins purchased	N/A	N/A	10 refuse bins purchased	0 refuse bins purchased	Not Achieved	Waiting for funding from the District Municipality	To constantly remind the District Municipality to transfer funds	R0.00	R0.00	Advert, Purchase Order, Delivery note	Waste Management
WM 06 – IDP PG 132 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Adoption of the Integrated Waste Management Plan	N/A	N/A	1 Integrated Waste Management Plan is adopted BY 30 June 2016	Document was prepared and submitted to the Department of Environmental Affairs	Not Achieved	Responsible person from the Department resigned	Waste Management Plan to be adopted in the new Financial year in September	N/A	N/A	N/A	Waste Management

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
WM 07 – IDP PG 132 NKPA 2	Improved access to basic services	To ensure provision of basic services to communities in a sustainable manner	Number of parks and stadiums maintained	1 cut per park and open spaces per month	1 cut per park and open spaces per month	5 parks, 4 stadiums and 30 Streets cut and maintained starting in the 2nd Q of the 2015/16 FY	5 parks, 4 stadiums and 30 Streets were cut and maintained monthly and as when required	Achieved	N/A	N/A	R630 000.00	R106 978.00	Schedule and time sheets, Order numbers	Waste Management
		To ensure provision of basic services to communities in a sustainable manner	Number of trees planted in public places and open spaces	N/A	N/A	Plant 500 trees in public places and open spaces	500 trees were required but on 186 were donated and planted	Not Achieved	Donations were less than the request amount	More requests for donations	R 570 000.00	R419 092.00	Pictures	Waste Management
To ensure provision of basic services to communities in a sustainable manner		Developed community park	N/A	N/A	Develop 1 community park by 31 December 2015	No Community park developed	Not Achieved	Trees were requested and approved, awaiting delivery of trees	Remind the Department of Environmental Affairs to deliver	N/A	N/A	Pictures	Waste Management	
To ensure provision of basic services to communities in a sustainable manner		Number of toilets and halls maintained on daily basis	CBD cleaned once per week	CBD cleaned once per week	2 toilets and 8 halls are maintained on daily basis	2 toilets and 8 halls were maintained on daily basis	Achieved	N/A	N/A	N/A	N/A	Maintenance register	Waste Management	
To ensure provision of basic services to communities in a sustainable manner		Development of the Cemeteries Management Plan	N/A	N/A	Cemeteries Management Plan adopted by Council on 30 June 2016	Cemeteries Management Plan not adopted, Draft is available	Not Achieved	GKM depended on other municipalities for comments	To be adopted in September in the new financial year	N/A	N/A	N/A	Waste Management	
To ensure provision of basic services to communities in a sustainable manner		Number of cemeteries maintained	N/A	N/A	2 cemeteries maintained in accordance to the KZN Cemeteries and Crematoria Act	2 cemeteries have been maintained in accordance to the KZN Cemeteries and Crematoria Act quarterly	Achieved	N/A	N/A	N/A	N/A	Monthly reports	Waste Management	
WM 08 – IDP PG 132 NKPA 2														
WM 09 – IDP PG 132 NKPA 2														
WM 10 – IDP PG 132 NKPA 2														

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
WM 11 – IDP PG 132 NKPA 2	Improved access to basic services	To ensure provision of basic services to communities in a sustainable manner	Purchased land by date	N/A	N/A	Advertise for an environmental study and purchase of the land by 30 June 2016	No Advertisement done for an environmental study and purchase of the land	Not Achieved	Rural Development advised GKM not to purchase land	Rural Development offered to purchase land for GKM	N/A	N/A	Adverts	Waste Management
WM 12 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	% of animals removed from streets and residential areas	12 Monthly Reports submitted to Council on Pound Management by 30 June 2015	12 Monthly Reports submitted to Council on Pound Management by 30 June 2015	100 % of animals removed (pounded) from the streets and residential areas per annum	100 % of animals have been removed (pounded) from the streets and residential areas	Achieved	N/A	N/A	R400 000.00	R336 000.00	Pound register, Monthly reports	Waste Management
CS 01 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Number of reports submitted to Standing Committee	N/A	N/A	12 Monthly Library Services management report to standing committee by 30 June 2016	12 Monthly Library services management reports were submitted to standing committee	Achieved	N/A	N/A	N/A	N/A	Reports	Community Services
CS 02 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Procurement of a mobile library that will visit all communities as and when required.	N/A	N/A	1 mobile library procured that will visit all communities as and when required by 30 June 2016	No Appointment of the service provider and purchase of the library	Not Achieved	Could not appoint since it was not advertised in Q3 due to financial constraints	To engage with department to cancel project	R0.00	R0.00	Adverts, Photos, orders and delivery notes	Community Services
CS 03 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Purchase material to demarcate space and equipment for the deaf library	N/A	N/A	Development of the deaf section in the library by 30 June 2016	Deaf section in the library was not developed	Not Achieved	Request was declined in Q3 due to financial constraints	To engage with department to cancel project	N/A	N/A	Letters between the municipality and the department	Community Services
CS 04 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Development of libraries in Shayamoya, Pakkies and Franklin	N/A	N/A	Develop Libraries in Shayamoya, Pakkies and Franklin by 30 March 2016	No libraries were developed in Shayamoya, Pakkies and Franklin	Not Achieved	Flanking - there was no enough space. Pakkies school rejected the idea	To engage with Department of Arts and Culture to cancel project	N/A	N/A	Pictures	Community Services

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
CS 05 – IDP PG 128 NKPA 2	Improved access to basic services	To ensure provision of basic services to communities in a sustainable manner	Number of chairs and tables purchased for libraries	N/A	N/A	10 Chairs and 5 tables purchased by 30 June 2016	0 Chairs and 0 tables purchased	Not Achieved	No funds received from the department	To engage with department of agriculture to cancel project	R17 200.00	R0.00	N/A	Community Services
CS 06 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Number of computers, printers and scanners purchased	N/A	N/A	2 Computers, 2 printers, 2 scanners purchased by 30 June 2016	0 Computers, 0 printers, 0 scanners purchased	Not Achieved	No funds received from the department	To engage with department of agriculture to cancel project	R70 000.00	R0.00	N/A	Community Services
OSS 01 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Create new structures where there are new wards and maintain existing Waroom Tasks Teams and the Local Task Team	N/A	N/A	11 structures created where there are new wards and maintain existing Waroom Tasks Teams and the Local Task Team by 30 June 2016	9 structures were created where there are new wards and maintain existing Waroom Tasks Teams and the Local Task Team	Not Achieved	Couldn't be created due to upcoming elections	Will be created after the elections	N/A	N/A	N/A	Operation Sukuma Sakhe
		To ensure provision of basic services to communities in a sustainable manner	Number of reports submitted to Standing Committee	N/A	N/A	12 monthly reports submitted to standing committee on the social ills per ward, campaigns and intervention done by stakeholders	12 monthly reports were submitted to standing committee on the social ills per ward, campaigns and intervention was done by stakeholders'	Achieved	N/A	N/A	N/A	N/A	Monthly Reports	Operation Sukuma Sakhe
TS 01 – IDP PG 128 NKPA 2		To ensure provision of basic services to communities in a sustainable manner	Provision of the Vehicle and Motor licencing service according to the motor licencing bureau	N/A	N/A	Issue motor and vehicle licenses according to licensing bureaus standards by 30 June 2016	Motor and vehicle license have been issued according to licensing bureaus standards	Achieved	N/A	N/A	N/A	N/A	Copies of transaction receipts	Traffic Services
		To ensure provision of basic services to communities in a sustainable manner	Provision of the Learners and Drivers licencing service according to the Department of Transport Standards	N/A	N/A	100% Provision of the licencing service according to the department of transports standards	100% Provision of the licencing service according to the department of transports standards	Achieved	N/A	N/A	N/A	N/A	Transaction receipts	Traffic Services

IDP REF NO.	Outcome e 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expendi ture Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
TS 01 – IDP PG 128 NKPA 2	Improved access to basic services	To ensure provision of basic services to communities in a sustainable manner	Provision of law enforcement service through by-law enforcement, traffic law enforcement and patrols.	N/A	N/A	90% of law enforcement and patrols conducted per Quarter	90% of law enforcement and patrols conducted per Quarter	Achieved	N/A	N/A	N/A	N/A	Copy of traffic tickets issued, weekly schedule of activities	Traffic Services
TS 02 – IDP PG 128 NKPA 2			Establishment of voting district crime forum	N/A	N/A	Establishment of voting district crime forum and training and support conducted/provide d by 30 June 2016	No Establishment of voting district crime forum and training and support conducted/ provided	Not Achieved	Ward 1,2,3,4,6 and 7 structures were formed and community meetings were not held due to violent protest	Training and support will be provided after elections	N/A	N/A	Attendance registers	Traffic Services
			Number of Integrated Law Enforcement programs coordinated	Develop and implement integrated Law enforcement programme by 30 Sep 2014	Develop and implement integrated Law enforcement programme by 30 Sep 2014	18 Coordinated Integrated Law Enforcement programs for the 2015/16 FY	Coordinated 18 Integrated Law Enforcement programs	Achieved	N/A	N/A	N/A	N/A	Law enforcement program schedules	Traffic Services
			% of service providers			100% Monitoring of the service provider	100% Monitoring of the service provider	Achieved	N/A	N/A	N/A	N/A	Registers	Traffic Services
			Number of campaigns conducted	6 public awareness campaigns held by 30 June 2015	6 public awareness campaigns held by 30 June 2015	4 Campaigns done by 30 June 2016	7 Campaigns were done that includes all wards	Achieved	N/A	N/A	N/A	N/A	Photos and attendance registers	Traffic Services
FR 01 – IDP PG 128 NKPA 2			Number of meetings conducted on Disaster risk reduction programmes	N/A	N/A	4 quarterly meetings conducted on Disaster risk reduction programmes	5 meetings were conducted on Disaster risk reduction programmes	Achieved	N/A	N/A	N/A	N/A	Attendance registers. quarterly reports	Fire/Disaster Management/ Rescue Services
FR 02 – IDP PG 128 NKPA 2			Number of structures established and capacitated	N/A	N/A	Establish and capacitate 8 structures in all wards by 31 December 2015	8 structures have been established and capacitated on	Achieved	N/A	N/A	N/A	N/A	Attendance registers. quarterly reports	Fire/Disaster Management/ Rescue Services

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non- achievement	Corrective Measures	Budget	Expendit ure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
FR 03 – IDP PG 128 NKPA 2	Improved access to basic services	To ensure provision of basic services to communities in a sustainable manner	Improved access to basic services	N/A	N/A	Recruit 80 volunteers in all wards by 30 September 2015	0 volunteers recruited	Not Achieved	People were not interested in the program	More people to be encouraged to join the program	N/A	N/A	N/A	Fire/Disaster Management/ Rescue Services
FR 04 – IDP PG 128 NKPA 2				N/A	N/A	Establishment of the committee that includes all municipal departments by 31 December 2015	The Committee that includes all municipal departments was established on the 31 st of December 2015	Achieved	N/A	N/A	N/A	N/A	Attendance registers. quarterly reports	Fire/Disaster Management/ Rescue Services
FR 05 – IDP PG 128 NKPA 2				N/A	N/A	1 Disaster risk management plan and snow protocol reviewed by 30 September 2015	1 Disaster risk management plan and snow protocol have been reviewed	Achieved	N/A	N/A	N/A	N/A	Council item, documents	Fire/Disaster Management/ Rescue services

KPA 3: Local Economic Development

B2B PILLER 3: Robust Local Economic Development

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
LED 01 –NKPA 3	Community work program implemented and cooperatives	To identify and Develop LED opportunities based on the functions of the municipality	All received applications processed and issued within target days from receipt	N/A	N/A	All received applications processed and issued within 28 days from receipt	All received applications were processed and issued within 28 days from receipt	Achieved	N/A	N/A	N/A	N/A	report on business license provision	Local Economic Development
		To identify and Develop LED opportunities based on the functions of the municipality	Number of Quarterly reports on Business licenses issued to Standing Committee	N/A	N/A	4 Quarterly reports submitted to standing Committees on Business Licenses issued	4 Quarterly reports on Business Licenses issued were submitted to standing Committees	Achieved	N/A	N/A	N/A	N/A	Copy of quarterly reports on Business licenses issued	Local Economic Development
		To identify and Develop LED opportunities based on the functions of the municipality	Compliance to Business Act of all issued licenses	N/A	N/A	100% Compliance to Business Act of all issued licenses by 30 June 2016	100% Compliance to Business Act; All Business Licenses were issued as per Business Act	Achieved	N/A	N/A	N/A	N/A	report on business licenses provision	Local Economic Development
LED 02 – NKPA 3		To establish economic growth and development in all economic sectors with a particular focus on agriculture, tourism, manufacturing and industry	Number of Quarterly status reports on management of trading facilities the presented to EXCO	N/A	N/A	4 Quarterly status reports on management of trading facilities presented to EXCO by 30 June 2016	4 Quarterly status reports for 400 Informal Traders Licensed were presented to EXCO	Achieved	N/A	N/A	N/A	N/A	report on implementation progress of Market Stalls	Local Economic Development

KPA 4: Municipal Financial viability and Management

B2B PILLER 4: Sound financial management & accounting

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
EXP 01 – IDP PG 131 NKPA 4	Improved municipal financial and administrative capability	To ensure that the organizations finances are managed sustainably	Percentage of invoices paid within 30 days from the receipt by creditors. 30 days register and monthly report	60% Payment of invoice within 30 days from approved invoice	60% Payment of invoice within 30 days from approved invoice	100% Payment of invoice within 30 days from approved invoice. 30 days register and monthly report	100% of Payment of invoice was made within 30 days from approved invoice. 30 days register and monthly report	Achieved	N/A	N/A	N/A	N/A	Monthly expenditure reports Monthly payments register.	Expenditure Management
EXP 02 - IDP PG 131 NKPA 4		To ensure that the organizations finances are managed sustainably	Payment of salaries on time and Third Parties	N/A	N/A	100% Payment of salaries on time and Third Parties by 30 June 2016	100% Payment of salaries was made on time and Third Parties	Achieved	N/A	N/A	N/A	N/A	Monthly expenditure reports monthly salary reconciliation and reports	Expenditure Management
		To ensure that the organizations finances are managed sustainably		12 monthly payments of salaries and third parties on approved due dates	12 monthly payments of salaries and third parties on approved due dates	12 Monthly payments by the 25th of each month or approved council date.	12 Monthly payments were done by the 25th of each month or approved council date.	Achieved	N/A	N/A	N/A	N/A	Monthly expenditure reports monthly salary reconciliation and reports	Expenditure Management
EXP 03 – IDP PG 131 NKPA 4		To ensure that the organizations finances are managed sustainably	Number of Reports submitted to Standing Committees	N/A	N/A	12 Monthly Reports submitted to Standing Committees by 30 June 2016	12 Monthly Reports were submitted to Standing Committees	Achieved	N/A	N/A	N/A	N/A	Monthly expenditure reports	Expenditure Management
EXP 04 - IDP PG 131 NKPA 4		To ensure that the organizations finances are managed sustainably	Number of Monthly Reconciliations prepared	N/A	N/A	Prepare 12 Monthly Reconciliations by 30 June 2016	12 Monthly Reconciliations have been prepared	Achieved	N/A	N/A	N/A	N/A	Monthly expenditure reports monthly salary reconciliation and reports	Expenditure Management

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
EXP 05 - IDP PG 131 NKPA 4	Improved municipal financial and administrative capability	To ensure that the organizations finances are managed sustainably	Number of Cash flow statement/ submitted to Treasury by the 10th of every month	Submission of monthly statement of cash out flows and cash In- flows to Treasury by the 10th of every month	1Statement submitted to Treasury by 10TH OF EVERY MONTH Annually	12 Monthly Cash flow statement/ submitted to Treasury by the 10th of every month	12 Monthly Cash flow statement were submitted to Treasury on the 10th of every month	Achieved	N/A	N/A	N/A	N/A	Monthly cash flow reports Treasury submission reports	Expenditure Management
EXP 06 - IDP PG 131 NKPA		To ensure that the organizations finances are managed sustainably	Compliance with MFMA and Expenditure Policy	N/A	N/A	100% compliance with MFMA and Expenditure Policy by 30 June 2016	100% compliance with MFMA and Expenditure Policy	Achieved	N/A	N/A	N/A	N/A	Internal Audit Reports	Expenditure Management
SCM 02 – IDP PG 132 NKPA 4		Accurate, reliable and credible financial management and reporting	A Submitted and adopted 2015/2016 Procurement Plan to Council by date	Submission of 2014/15 Procurement Plan to Council for adoption by 31 August 2014	2014/15 Procurement Plan adopted by Council on the 29 August 2014	Submission of 2015/16 Procurement Plan to Council for adoption by 31 July 2015	Submitted the 2015/16 Procurement Plan to Council for adoption	Achieved	N/A	N/A	N/A	N/A	Minutes of EXCO meeting when plan was adopted and an approved procurement plan	Supply Chain Management
SCM 03 – IDP PG 132 NKPA 4		Accurate, reliable and credible financial management and reporting	Awarding of bids within the turnover time for the acquisition of goods& services	60 days’ Turnover time for the acquisition of goods& services	60 days’ Turnover time for the acquisition of goods& services	90 days’ Turnover time for the acquisition of goods& services from bid closing.	90 days’ Turnover time for the acquisition of goods& services from bid closing.	Achieved	N/A	N/A	N/A	N/A	Invitations to bid and minutes of the bid committee meetings	Supply Chain Management
		Accurate, reliable and credible financial management and reporting	Compilation of Bid reports and issuing of agenda for bid committees done on time	100% of Bid Committee meeting that have a quorum at sitting by 30 June 2015	100% of Bid Committee meeting that have a quorum at sitting by 30 June 2015	Compiling bid reports and issuing of agenda within 5 working days form closing for BEC and 5 days from the receipt of a signed BEC minutes for bac.	Compiling bid reports and issuing of agenda took place within 5 working days form closing for BEC and 5 days from the receipt of a signed BEC minutes for bac.	Achieved	N/A	N/A	N/A	N/A	Invitations to bid committee meetings	Supply Chain Management

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
SCM 04 - IDP PG 132 NKPA 4	Improved municipal financial and administrative capability	Accurate, reliable and credible financial management and reporting	% of contracts / SLAs with service providers signed by date	100% of contracts / SLAs with service providers signed by 30 June 2015	100% of contracts / SLAs with service providers signed by 30 June 2015	100% of contracts / SLAs with service providers signed by 30 June 2016	100% of contracts / SLAs with service providers have been signed		N/A	N/A	N/A	N/A	contracts register	Supply Chain Management
SCM 05 – IDP PG 132 NKPA 4		Good financial governance and oversight	verification / cleansing conducted on the supplier data base by date	Conduct 1 verification / cleansing on supplier data base by 30 June 2015	Conduct 1 verification / cleansing on supplier data base by 30 June 2015	Conduct 1 verification / cleansing on supplier data base by 30 June 2016	Conducted 1 verification / cleansing on supplier data base		N/A	N/A	N/A	N/A	Invitation for application to register on the GKM SCM database	Supply Chain Management
		Good financial governance and oversight	% of Awarded Bids verified for compliance to MFMA by date	100% of Awarded Bids verified for compliance to MFMA by 30 June 2015	100% of Awarded Bids verified for compliance to MFMA by 30 June 2015	100% of Awarded Bids verified for compliance to MFMA by 30 June 2016	100% of Awarded Bids have been verified for compliance to MFMA		N/A	N/A	N/A	N/A	contracts register, exception reports dealing with non-compliance with contractual /SLA requirements / deadlines	Supply Chain Management
AM 01 - IDP PG 132 NKPA 4		Good financial governance and oversight	Number of Updated FAR in terms of GRAP on fixed asset register by date	12 FAR updates done in terms of GRAP on the fixed asset register by 30 June 2015	12 FAR updates done in terms of GRAP on the fixed asset register by 30 June 2015	12 FAR updates done in terms of GRAP on the fixed asset register by 30 June 2016	12 FAR updates have been done in terms of GRAP on the fixed asset register		N/A	N/A	N/A	N/A	Fixed Asset Register Reconciliation Capital analysis reconciliation	Asset Management

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
MQA 01 - IDP PG 132 NKPA 4	Improved municipal financial and administrative capability	Accurate, reliable and credible financial management and reporting	Number of Monthly S 71 and In Year Monitoring Returns submitted by legislated deadline (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	12 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	12 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 days	12 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	12 Monthly S 71 and In Year Monitoring Returns were submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	Achieved	N/A	N/A	N/A	N/A	Proof of submissions to Treasury	Budget and Reporting
MQA 02 - IDP PG 132 NKPA 4		Accurate, reliable and credible financial management and reporting	Quarterly Returns, Quarterly Verification Reports of Conditional Grants transferred and Statement of Capital and Operating expenditure by legislated deadline	Transfer Quarterly Returns, Quarterly Verification Reports of Conditional Grants and Statement of Capital and submit Operating expenditure not later than 24 working day after the end of every quarter	Quarterly Returns, Quarterly verification done within 24 days after quarter	Quarterly Returns, Quarterly Verification Reports of Conditional Grants transferred and Statement of Capital and Operating expenditure submitted not later than 24 working day after the end of every quarter	Quarterly Returns, Quarterly Verification Reports of Conditional Grants transferred and Statement of Capital and Operating expenditure were submitted not later than 24 working day after the end of every quarter	Achieved	N/A	N/A	N/A	N/A	Proof of submissions to Treasury	Budget and Reporting
MQA 03 - IDP PG 132 NKPA 4		Accurate, reliable and credible financial management and reporting	Bi – annual Returns and Adjustment Budget Returns submitted by legislated deadline	Submit Bi – annual Returns and Adjustment Budget Returns by legislated deadline not later than 24 working day after the end of every quarter	Quarterly Returns, Quarterly verification done within 24 days after quarter	Bi – annual Returns and Adjustment Budget Returns submitted by legislated deadline not later than 24 working day after the end of quarter	Bi – annual Returns and Adjustment Budget Returns were submitted by legislated deadline not later than 24 working day after the end of quarter	Achieved	N/A	N/A	N/A	N/A	Proof of submissions to Treasury	Budget and Reporting

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
MQA 04 - IDP PG 132 NKPA 4	Improved municipal financial and administrative capability	Accurate, reliable and credible financial management and reporting	Annual Budget Returns, Pre-audited and Audited Figures Returns submitted by deadline	Submit 1 Annual Budget Returns, 1 Pre-audited and Audited Figures Returns by 31/8/'14 (ABR) 1/12/'14 (AFR)	Submit 1 Annual Budget Returns, 1 Pre-audited and Audited Figures Returns by 31/8/'14 (ABR) 1/12/'14 (AFR)	1 Annual Budget Returns, 1 Pre-audited and Audited Figures Returns submitted by 31/8/' (ABR) 1/12/' (AFR)	1 Annual Budget Returns, 1 Pre-audited and Audited Figures Returns have been submitted on the 31/8/' (ABR) 1/12/' (AFR)	Achieved	N/A	N/A	N/A	N/A	Proof of submissions to Treasury	Budget and Reporting
MQA 05 - IDP PG 132 NKPA 4		Accurate, reliable and credible financial management and reporting	S72 reports submitted to Council for adoption by date	Submit 1 S72 reports to Council for adoption by 20/01/2015	Submit 1 S72 reports to Council for adoption by 20/01/2015	1 S72 reports submitted to Council for adoption by 20/01/2016	1 S72 reports was submitted to Council for adoption by 20/01/2016	Achieved	N/A	N/A	N/A	N/A	S72 REPORTS	Budget and Reporting
BGT 01 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Submission of Adjustment budget to Nat. Prov. Treasury, COGTA by date	Submission of Adjustment budget to Nat. Prov. Treasury, COGTA by 31 January 2015	Submission of Adjustment budget to Nat. Prov. Treasury, COGTA on the 25 January 2015	Submission of Adjustment budget to Nat. Prov. Treasury, COGTA by 31 January 2016	Adjustment budget was submitted to Nat. Prov. Treasury, COGTA submitted by 31 January 2016	Achieved	N/A	N/A	N/A	N/A	Proof of submissions to Treasury	Budget and Reporting
BGT 02 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Approved 2016/2017 budget process plan / time schedule by date	Approve budget process plan / time schedule by 31 August 2014	Approve budget process plan / time schedule on the 29th August 2014	Approved budget process plan / time schedule by 31 August 2015	Budget process plan / time schedule was approved on the 31 st August 2015	Achieved	N/A	N/A	N/A	N/A	Proof of submissions to Treasury	Budget and Reporting
BGT 03 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Tabled Draft 2016/2017 budget by date	Approve Draft budget by 31/03/2015	Approve Draft budget by 31/03/2015	Tabled Draft budget by 31/03/2016	Draft budget was tabled to Treasury on the 31/03/2016	Achieved	N/A	N/A	N/A	N/A	Proof of submissions to Treasury	Budget and Reporting
BGT 04 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Approved Final 2016/2017 budget by date	Approve Final budget by 31 May 2015	Approve Final budget by 28May 2015	Approved Final budget by 31 May 2016	Final budget was approved on the 31 st May 2016	Achieved	N/A	N/A	N/A	N/A	Proof of submissions to Treasury	Budget and Reporting
GLR 01 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Number of Reconciliation of Bank Statements submitted	N/A	N/A	12 submissions of monthly reconciliations for cash bank	12 monthly reconciliations for cash bank were submitted	Achieved	N/A	N/A	N/A	N/A	Main Bank account reconciliation	Budget and Reporting

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non- achievemen t	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
GLR 02 - ADD NKPA 4	Improved municipal financial and administrative capability	To ensure that the organizations finances are managed sustainably	Number of Reconciliation of investment submitted	N/A	N/A	12 submissions of monthly reconciliations for Investments	12 monthly reconciliations for Investments were submitted	Achieved	N/A	N/A	N/A	N/A	Investments register	Budget and Reporting
GLR 03 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Number of Asset and liability management submitted	N/A	N/A	12 submissions of monthly reconciliations for long term borrowings, Finance leases, VAT analysis, reconciliation	12 monthly reconciliations for long term borrowings, Finance leases, VAT analysis, reconciliation were submitted	Achieved	N/A	N/A	N/A	N/A	Reconciliations: Long term borrowings; Finance leases; VAT analysis;	Budget and Reporting
GLR 04 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Number of Grants and subsidies management reconciliations submitted	N/A	N/A	12 submissions of monthly grants and subsidies reconciliation	12 monthly grants and subsidies reconciliation were submitted	Achieved	N/A	N/A	N/A	N/A	Reconciliations: Grants and subsidies	Budget and Reporting
AFS 01 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Preparation and submission of annual financial statements to auditor general by date	Preparation and submission of annual financial statements to auditor general by 31 August 2014	Preparation and submission of annual financial statements to auditor general on the 29 August 2014	Preparation and submission of annual financial statements to auditor general by 31 August 2015	Prepared and submitted the annual financial statements to auditor general on the 31 st of August 2015	Achieved	N/A	N/A	N/A	N/A	Annual financial statement with lead schedules	Budget and Reporting
AFS 02 - ADD NKPA 4		To ensure that the organizations finances are managed sustainably	Effective response of audit queries with timeframes given by the AG Unqualified opinion by date	Effective response of audit queries with timeframes given by the AG Within 2 days	Effective response of audit queries with timeframes given by the AG Within 2 days	Effective response of audit queries with timeframes given by the AG Unqualified opinion by 30 November 2015	Obtained an Unqualified opinion from AG on the 30 th of November 2015	Achieved	N/A	N/A	N/A	N/A	Management letter Audit Report	Budget and Reporting
RVM 01 – IDP PG 131 NKPA 4		To enhance revenue base and ensure financial viability and management	Turnaround time of monthly billing reports generated	Monthly Billing Reports generated by the 5th of every month.	12 Monthly Billing Reports generated by the 5th of every month.	12 monthly billings before the 5th day of every month	12 monthly billings were generated before the 5th day of every month	Achieved	N/A	N/A	N/A	N/A	Monthly Billing Reports	Revenue Management

IDP REF NO.	Outco me 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non- achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
RVM 02 - IDP PG 131 NKPA 4	Improved municipal financial and administrative capability	To enhance revenue base and ensure financial viability and management	Number of qualifying households with access to free monthly basic services by 30 June 2016	4900 qualifying households to receive access to free monthly basic services by 30 June 2015	3889 qualifying households to receive access to free monthly basic services by 30 June 2015	To register all qualifying households to receive access to free monthly basic services by 30 June 2016	All qualifying households to receive access to free monthly basic services were registered	Achieved	N/A	N/A	N/A	N/A	indigent data base register Council resolution	Revenue Management
RVM 03 - IDP PG 131 NKPA		To enhance revenue base and ensure financial viability and management	% Reduction of the debtors book by date	15% Reduction of the debtors book by 30 June 2015.	Debtors book increased by 2% by June 2015	10% Reduction of the debtors book by 30 June 2016	10% Reduction of the debtor's book	Achieved	N/A	N/A	N/A	N/A	debtors age analysis Quarterly financial statements	Revenue Management
RVM 04 - IDP PG 131 NKPA		To enhance revenue base and ensure financial viability and management	Implementation of supplementary Valuation Roll	N/A	N/A	To Implement One Supplementary Roll for the 2015/16 FY	Implemented One Supplementary Roll for the 2015/16 FY	Achieved	N/A	N/A	N/A	N/A	Implemente d supplement ary valuation roll	Revenue Management
RVM 05 - IDP PG 131 NKPA		To enhance revenue base and ensure financial viability and management	Number of new meter reading devices purchased	N/A	N/A	Procure 3 new meter reading devices by 30 September 2015	Procured 3 new meter reading devices	Achieved	N/A	N/A	N/A	N/A	Proof of Purchase of 3 hand held devices SLA	Revenue Management

KPA 5: Good Governance and Public Participation

B2B PILLER 5: Good Governance and Putting People First

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
IAS 01 – IDP PG 127 KPA 5	Deepen democracy through a refined ward committee system	Strengthen Inter-Governmental Relation System	Submission of Draft IAP to AC and Standing Committee for Council Approval	N/A	N/A	Submitted to AC by 30 July 2015; Submitted to Council for Adoption by 30 September 2015	Internal Audit Plan was tabled to Audit committee and on 25/08/2015 and was submitted to Council for adoption by 30 September 2015	Achieved	N/A	N/A	R1 600 000.00	R1404 652.00	Internal Audit Plan; Council Resolution; Minutes of meetings	Internal Audit
IAS 02 - IDP PG 127 KPA 5		Strengthen Inter-Governmental Relation System	Submission Draft IAC submitted to AC for approval and standing committee for Council Adoption	N/A	N/A	Submitted to Council for adoption by 31 August 2015	Draft Internal Audit Charter was submitted to Council for adoption on 18 July 2015	Achieved	N/A	N/A			Council resolution Copy of Revised IAC	Internal Audit
IAS 03 – IDP PG 127 KPA 5		Strengthen Inter-Governmental Relation System	Internal Audit Assessment Report presented to Council	N/A	N/A	Present Internal Audit Assessment Plan by 30 June 2016	Internal Audit assessments done by 31 March 2015 but no assessment report/plan submitted to AC and to council	Not Achieved	There is a new audit committee	To be submitted in the new financial year			N/A	Internal Audit
IAS 04 - IDP PG 127 KPA 5		Strengthen Inter-Governmental Relation System	Number of Performance Management audits conducted	N/A	N/A	4 Audits of Performance Management Conducted by IA by 30 June 2016	4 Audits of Performance Management were conducted by IA	Achieved	N/A	N/A			IA audit Reports	Internal Audit
IAS 05 - IDP PG 127 KPA 5		Strengthen Inter-Governmental Relation System	Number of Audit committee sittings facilitated	4 Audit Committee meetings held by 30 June 2015	2 Audit committee Meetings held in the 2014/15 fiscal year	4 Audit committee sittings facilitated for the 2015/16 fiscal year	4 Audit committee sittings were facilitated for the 2015/16 fiscal year	Achieved	N/A	N/A	R270,000.00	R298 079.00	Agenda Reports	Internal Audit

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
IAS 06 - IDP PG 127 KPA 5	Deepen democracy through a refined ward committee system	Strengthen Inter-Governmental Relation System	Number of Internal Audit reports submitted to Audit Committee within the prescribed period	4 Q IA reports submitted to AC by 30 June 2015	2 Q IA reports submitted to AC by 30 June 2015	4 Internal Audit Reports submitted to Audit Committee 7 days before the meeting can convene	4 Internal Audit Reports were submitted to Audit Committee 7 days before the meeting can convene	Achieved	N/A	N/A	N/A	N/A	IA reports	Internal Audit
IAS 07 - IDP PG 127 KPA 5		Strengthen Inter-Governmental Relation System	Facilitation of the remuneration of the AC members within the prescribed period	N/A	N/A	Facilitate payment of AC members within 30 days from date of receipt	Facilitated payment of AC members within 30 days from date of receipt	Achieved	N/A	N/A	N/A	N/A	Payment register from Creditors	Internal Audit
RM 01 - IDP PG 127 KPA 5		Strengthen Inter-Governmental Relation System	Risk Assessments conducted and Risk Assessments presented to Standing Committees	1 Risk Assessment Conducted for the 2014/15 financial year	2 Risk Assessment conducted (operational and strategic) on the 25-26th May 2015	1 Strategic and 1 Operational Risk Assessment Conducted by 30 June 2016	Conducted 1 Strategic and 1 Operational Risk Assessment	Achieved	N/A	N/A	N/A	N/A	Reports	Risk Management
RM 02 - IDP PG 127 KPA 5		Strengthen Inter-Governmental Relation System	Number of Risk management reports and Risk register submitted to AC and Standing Committee	4 Risk Reports submitted to Audit Committee by 30 June 2015	1 Risk Reports submitted to Audit Committee in the 2014/15 – but was circulated to all departments for update	3 Monthly Risk Management Reports and Risk Register Submitted to AC and Standing Committee Quarterly	Submitted 3 Monthly Risk Management Reports and Risk Register to AC and Standing Committee Quarterly	Achieved	N/A	N/A	N/A	N/A	Agenda reports	Risk Management
RRM 03 - IDP PG 127 KPA 1		Strengthen Inter-Governmental Relation System	Submission Draft TOR, RM Framework and Policy for recommendation/s and standing committee for Council Adoption / Approval	N/A	N/A	Draft Risk Management Draft TOR, Framework and Policy submitted to AC and Standing Committee for Adoption by 31 October 2015	Draft Risk Management Draft TOR, Framework and Policy have been submitted to AC and Standing Committee for Adoption on the 31 st of October 2015	Achieved	N/A	N/A	N/A	N/A	Council Resolution AC Agenda Copy of RM TOR, Policy and Framework	Risk Management

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved / Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department / unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
OPMS 02 – IDP PG 130 KPA 5	Deepen democracy through a refined ward committee system	Promote participative, facilitative and accountable governance	Presentation of Draft 2014/15 Annual Performance Report to Council for adoption	Submission and Presentation of draft Annual Performance Report to Council for Adoption by 31 Aug 2014	APR has been submitted to AG	Present Draft Annual Performance Report to Council for adoption by 31 August 2015	Presented Draft Annual Performance Report to Council for adoption on the 31 st of August 2015	Achieved	N/A	N/A	N/A	N/A	Reports Council Resolution Copy of the APR	OPMS
OPMS 03 –IDP PG130 KPA 5		Promote participative, facilitative and accountable governance	Presentation of Draft 2014/2015 Annual Report to Council for adoption	Presentation of 2013-2014 Annual Report to Council for adoption by 31 March 2015	2013/14 AR was adopted by Council on the 31/03/2015	Present Draft 2014/15 Annual Report to Council for adoption by 31 March 2016	Draft AR was submitted to AG, PT and COGTA on 31/08/2015 and Presented to Council for adoption and to AG	Achieved	N/A	N/A	N/A	N/A	Reports Council Resolution Copy of the 2015/16 Report Submission confirmation	OPMS
OPMS 04 – IDP PG 130 KPA 5		Promote participative, facilitative and accountable governance	Submission of Oversight Report to Standing Committee for Council Adoption and submission to MEC – CoGTA /PT/NT	Submission of the 2013/14 Oversight report submitted to standing committee, MPAC & Council for adoption by 31 March 2015	Oversight report has been submitted to standing committee, MPAC & Council for adoption	Submit Oversight Report to Standing Committee for adoption and to MEC – COGTA/PT/NT by 31 March 2016	Submitted Oversight Report to Standing Committee for adoption and to MEC – COGTA/PT/NT on the 31 st of March 2016	Achieved	N/A	N/A	N/A	N/A	Oversight Report MPAC recommendation s Council Resolution Confirmation of Submission to COGTA	OPMS
IDP 01 – IDP PG 130 KPA 5		Promote participative, facilitative and accountable governance	Submission of Draft IDP Process Plan to Standing Committee for Council Adoption by date	Complete IDP process plan by 30 Sept 2014	IDP Process Plan adopted by Council on the 29th August 2014	Submit Draft IDP Process Plan to Standing Committee for Council adoption by 31 August 2015	IDP Process Plan was submitted to Standing Committee for Council adoption on the 31 st of August 2015	Achieved	N/A	N/A	N/A	N/A	Copy of the IDP process plan and Council Resolution Minutes Attendance Registers of Ref Forum Sitzings	Integrated Development Planning
		Promote participative, facilitative and accountable governance	Number of IDP Roadshows held	Hold 13 Road-shows by 31 Dec 2014	20 IDP Roadshows were held were held in Nov 2014	13 IDP road shows conducted by 30 November 2015	13 IDP road shows were conducted	Achieved	N/A	N/A	N/A	N/A	IDP roadshow Programme attendance registers, minutes and photos	Integrated Development Planning
		Promote participative, facilitative and accountable governance	Submission of Final Draft 2016 - 2017 IDP to Standing Committee for Council Adoption	Submission of 2015/16 IDP to Council for adoption by 30 June 2015	2015/16 IDP was adopted by Council on the 24th June 2015 and submitted to COGTA 10 July 2015	Submit final draft 2016-2017 IDP to Standing Committee for Council adoption by 30 June 2016	Final draft 2016-2017 IDP was submitted to Standing Committee for Council adoption	Achieved	N/A	N/A	N/A	N/A	Copy of draft IDP and Council resolution	Integrated Development Planning

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department / unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
IDP 02 – IDP PG 130	Deepen democracy through a refined ward committee system	Promote participative, facilitative and accountable governance	Number of IDP Rep Forum meetings held	N/A	N/A	Conduct 2 IDP Rep Forum meetings by 31 march 2016	2 IDP Rep Forum meetings were conducted	Achieved	N/A	N/A	N/A	N/A	Attendance register; Reports	Integrated Development Planning
CIGR 01 – IDP PG130		Strengthen inter-governmental relations systems & Promote Good Governance	Number of Monthly Newspaper produced	4 newsletters produced by 30 June 2015	2newsletters produced by 30 June 2015	12 Newspaper issues produced by 30 June 2016	9 Newspaper issues were produced	Not Achieved	Late appointment of service provider	Ensure newspapers are printed	N/A	N/A	Newspaper copies invoice	Communication/IGR and Corporate Image
CIGR 02 – IDP PG 130 KPA 5	Deepen democracy through a refined ward committee system	Strengthen inter-governmental relations systems & Promote Good Governance	Uploaded tenders, quotations, notices, documents to the website and daily updates	100% tenders/quotations loaded to the website by 30 June 2015	100% tenders/quotations loaded to the website by 30 June 2015	Upload all submitted tenders, quotations, notices, documents to the website and daily updates	All submitted tenders, quotations, notices, documents were uploaded to the website and daily updates were done	Achieved	N/A	N/A	R20,000,00	R477 863,00	S 54-56 Managers Performance Contract All submitted tenders, quotations, , notices, IDP, IDP Process Plan; SDBIP; APR; AR	Communication/IGR and Corporate Image
CIGR 03 – IDP PG 130 KPA 5		Strengthen inter-governmental relations systems & Promote Good Governance	Number of Media briefings	4 briefings by 30 June 2015	4 briefings by 30 June 2015	4 briefings held by 30 June 2016	Held 4 briefings	Achieved	N/A	N/A	R350,000,00		Press cuttings, attendance register, Press cuttings Extracts from monthly report invoices	Communication/IGR and Corporate Image
			Number of Press statements	12 press statements by 30 June 2015	12 press statements by 30 June 2015	12 press statements held by 30 June 2016	Held 12 press statements	Achieved	N/A	N/A				
			Number of Media analysis	12 monthly media analysis by 30 June 2015	12monthly media analysis by 30 June 2015	12 media analysis conducted by 30 June 2016	Conducted 12 media analysis	Achieved	N/A	N/A				
			Number of Media space buying	4 media spaces bought by 30 June 2015	4 media spaces bought by 30 June 2015	4 media spaces bought by 30 June 2016	4 media spaces were bought	Achieved	N/A	N/A				
			Number of Post Council briefings	4 Post Council briefings by 30 June 2015	4 Post Council briefings by 30 June 2015	4 Post Council briefings by 30 June 2016	3 Post Council briefings set	Not Achieved	Council meeting did not sit during q1; it was postponed	Briefing took place on the council meeting scheduled for Q2				

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non- achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
CIGR 04 -- IDP PG 130 KPA 5		Strengthen inter- governmental relations systems & Promote Good Governance	Number of calendars and diaries delivered and distributed	33 branded diaries branded procured by 30 November 2014 1000 calendars procured by 30 November 2014	33 branded diaries branded procured by 30 November 2014 1000 calendars procured by 30 November 2014	1000 calendars and 53 diaries delivered and distributed by 31 December 2015	1000 calendars and 53 diaries were delivered and distributed	Achieved	N/A	N/A	R106,000.00	R0.00	Copies of Calendars and Diaries Delivery document	Communication/ IGR and Corporate Image
PP 01 -- IDP PG 130 KPA 5		To develop a strong institution to support consultative and participatory local governance	Capacity Building of Ward committees	1 formal ward committee training held by 30 June 2015	1 formal ward committee training held by 30 June 2015	Hold a formal ward committee training by 31 December 2015	Training of ward committees on community diversity modul e 7 was done	Achieved	N/A	N/A	R250,000.00	R879 645.00	Training Report and attendance Registers	Public Participation
PP 02 -- IDP PG 130 KPA 5		To develop a strong institution to support consultative and participatory local governance	Number of Ward Committee meetings held by date	32 Ward committee meetings held by 30 June 2015	32 Ward committee meetings held	32 Ward committee meetings held by 30 June 2016	24 ward committee meetings were held	Not Achieved	Council was busy with other activities	To be held in new financial year after elections	R719,040.00	R675 396.00	Minutes, Agenda Attendance registers	Public Participation
							Payment of ward committee stipend have been made monthly							
PP 03 -- IDP PG130 KPA 5		To develop a strong institution to support consultative and participatory local governance	Number of community meetings held by date	32 Community meetings held by 30 June 2015	32 Community meetings held by 30 June 2015	32 Community meetings held by 30 June 2016	33 community meetings were held in all wards	Achieved	N/A	N/A	R300,000.00	R879 645.00	Minutes, agenda attendance registers	Public Participation
			Mayoral Imbizo held by March 2016	One Mayoral Imbizo held in the 2014/15 FY	One Mayoral Imbizo held in the 2014/15 FY	One Mayoral Imbizo held by March 2016	Mayoral Imbizo was held at Franklin Sports field	Achieved	N/A	N/A			Program Invitations	Public Participation

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved / Not Achieved	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
PP 04 -- IDP PG130	Deepen democracy through a refined ward committee system	To develop a strong institution to support consultative and participatory local governance	Number of wards profiled	Develop 5 ward plans by 31 December 2014	5 ward plans developed by 31 December 2014	Four wards profiled by 31 December 2015	Four ward profiles were developed	Achieved	N/A	N/A	R100,000.00	R879 645.00	Terms of Reference Ward Profiles	Public Participation
YSAC 01 -- IDP PG 130 KPA 5			Number Schools Visits and Road shows conducted	4 GKM School visited and conduct 1 Road Show by 31 March 2015	Achieved - The following schools were visited. Thibane Combined, Glen Edward, Carl Malcomess and Shayamoya 22 Jan – 04 Jan 2015 Feb	3 GKM School visited and 1 Back to School Road School conducted by 28 Feb 2016	3 GKM School were visited and 1 Back to School Road School was conducted	Achieved	N/A	N/A	N/A	N/A	Reports Register Pictures	Youth, Sports, Arts and Culture
		To develop a strong institution to support consultative and participatory local governance	Number of Schools Attending Career Exhibition hosted in partnership with Dept of Education	Career Exhibition to be attended by 5 GKM Senior Secondary School hosted in partnership with Dept of Education by 30 June 2015	Achieved - The Expo was held on the 06 Feb 2015 and on the 24 – 25 March 2015	Career Exhibition to be attended by 5 GKM Senior Secondary School hosted in partnership with Dept. of Education by 30 June 2016	Career Exhibition was attended by 5 GKM Senior Secondary School hosted in partnership with Dept. of Education	Achieved	N/A	N/A	N/A	N/A	Register Pictures Report	Youth, Sports, Arts and Culture
YS 02 – IDP PG 130 KPA 5				Number of Local Sports Council sittings	N/A	N/A	2 Local Sports Council sittings held by 31 March 2016	Held 2 Local Sports Council sittings	Achieved	N/A	N/A	N/A	N/A	Register Report

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved / Not Achieved	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department / unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
YS 03 -- IDP PG 130 KPA 5	Deepen democracy through a refined ward committee system	To develop a strong institution to support consultative and participatory local governance	Number of Sporting codes during SALGA Games	5 Sport codes participating in SALGA Games by 31 Dec 2014	5 Sport codes participating in SALGA Games by 31 Dec 2014	5 Sporting Codes from ULM in SALGA Games by the 31 Dec 2016	5 Sport codes participated in SALGA Games	Achieved	N/A	N/A	R122,000.00	R101 000.00	Pictures Team List Reports	Youth, Sports, Arts and Culture
Number of Sporting codes during Mayoral Cup			5 Sport codes participating in Mayoral Cup by 31 Dec 2014	5 Sport codes participating in Mayoral Cup by 31 Dec 2014	5 Sporting codes during the Mayoral Cup by the 30 June 2016	5 Sporting codes participated during the Mayoral Cup	Achieved	N/A	N/A	Pictures, Team List, Reports			Youth, Sports, Arts and Culture	
AAC 01 -- IDP PG 130 KPA 5		To develop a strong institution to support consultative and participatory local governance	Number of Local Arts and Culture Festival	Successfully conduct Annual Event by 31 March 2015	Not achieved	Host 1 Local Arts and Culture Festival event by 30 October 2015	District Competition was held on the 17 Dec 2015 in Bulwer Arts Centre	Achieved	N/A	N/A	R110 ,000.00	101 000.00	Report Register Pictures	Youth, Sports, Arts and Culture
SP 01 - IDP PG 130 KPA 5			Number Ward AIDS Council meetings coordinated	N/A	N/A	Coordinate 4 Quarterly Ward AIDS Council By 30 June 2016	Coordinated 4 Quarterly Ward AIDS Council	Achieved	N/A	N/A	N/A	N/A	Report Meeting Register	Youth, Sports, Arts and Culture
SP 02 -- IDP PG 130 KPA 5		To develop a strong institution to support consultative and participatory local governance	Number of Local AIDS Council meetings coordinated	N/A	N/A	4 Quarterly Local AIDS Council meetings coordinated by 30 June 2016	Coordinated 4 Quarterly Local AIDS Council meetings	Achieved	N/A	N/A	N/A	N/A	Report Meeting Register	Youth, Sports, Arts and Culture
			No of AIDS awareness Campaigns held incl. World AIDS day	N/A	N/A	1 AIDS awareness Campaigns held incl. World AIDS day by Dec 2015	Held 1 AIDS awareness Campaigns incl. World AIDS day by 29 October 2015	Achieved	N/A	N/A	N/A	N/A	Report Meeting Register Pictures	Youth, Sports, Arts and Culture

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department/ unit	
				Annual Target	Actual Performance	Annual Target	Actual Performance								
SP 03 – IDP PG 130 KPA 5	Deepen democracy through a refined ward committee system	To develop a strong institution to support consultative and participatory local governance	Number of Activity reports presented to Standing Committee	N/A	N/A	12 Activity reports presented to Standing Committee by 30 June 2016	12 Activity reports were presented to Standing Committee	Achieved	N/A	N/A	N/A	N/A	HIV/AIDS Activity Reports	Youth, Sports, Arts and Culture	
SP 04 – IDP PG 130 KPA 5				N/A	N/A	4 Local AIDS Forum Meeting attended by 30 June 2016	Attended 4 Local AIDS Forum Meeting	Achieved	N/A	N/A	N/A	N/A	Report Meeting Register	Youth, Sports, Arts and Culture	
		To develop a strong institution to support consultative and participatory local governance	Number of HIV/AIDS Forum meetings attended	N/A	N/A	4 District AIDS Forum Meeting attended by 30 June 2016	Attended 4 District AIDS Forum Meeting	Achieved	N/A	N/A	N/A	N/A	Report Meeting Register	Youth, Sports, Arts and Culture	
N/A				N/A	4 Provincial AIDS Forum Meeting attended by 30 June 2016	Attended 4 Provincial AIDS Forum Meeting	Achieved	N/A	N/A	N/A	N/A	Report Meeting Register	Youth, Sports, Arts and Culture		
SP 05 – IDP PG 130 NKPA 4 SP 05 – IDP PG 130 KPA 5		To develop a strong institution to support consultative and participatory local governance	Men Initiation, HIV /AIDS Prevention of Program conducted	To promote Man circumcision as part of fighting HIV / AIDS by 30 January 2015	Achieved - The Male Initiation Ceremony was held on the 13 Jan 2015	100 Men Initiation HIV/AIDS prevention Program conducted by the 31 January 2016	0 Men Initiation HIV/AIDS prevention Program conducted	Not Achieved	The project was postponed due to financial constraints	Ensure that the project is budgeted for in the next financial year	N/A	N/A	N/A	N/A	Special Program
SP 06 – IDP PG 130 KPA 5			Young maidens attending the annual Reed Dance by date	50 Kokstad Girls Attend Annual Reed Dance by 30 Sept 2015	80 maidens attended the Reed Dance on the 4-7 September 2014	Young maidens attending the annual Reed Dance by 30 September 2015	Annual Reed dance was held in September 2015 for young maidens to attend	Achieved	N/A	N/A	R42 000.00	R1 977.06	Report Register Pictures	Special Program	

KPA 6: Cross-Cutting Interventions

B2B PILLER 6: Not Applicable

IDP REF NO.	Outcome 9	Strategy Objective	Key Performance Indicator	2014/15 FINANCIAL YEAR		2015/16 FINANCIAL YEAR		Status (Achieved/ Not Achieved)	Reason for non-achievement	Corrective Measures	Budget	Expenditure Incurred	Means of Verification	Responsible Department / unit
				Annual Target	Actual Performance	Annual Target	Actual Performance							
SPL 01 – IDP PG 132 NKPA 6	Single Window of Coordination	To promote spatial concentration and co-ordination of development interventions	Adopted and approved HS Plan by date	N/A	N/A	HS Plan adopted by 30 June 2016	Held Second Steering Committee; Situation Analysis was presented	Not Achieved	Late appointment of Service Provider	N/A	R490 000.00.00	R148 200.00	ToRs Appointment letter Service Provider PSC Minutes Draft HS Plan	Spatial Planning and LUMS
SPL 02 – IDP PG 132 NKPA 6		To promote spatial concentration and co-ordination of development interventions	Updating of Municipal GIS Software	4 GIS updates done by 30 June 2015	4 GIS updates done	Updated Municipal GIS Software by 30 June 2016	GIS software was updated	Achieved	N/A	N/A	R150 000.00	R85 158.00	New Version GIS Update being utilized	Spatial Planning and LUMS

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The Greater Kokstad Municipality's focus is to improve knowledge, ability, skills and other talents for employees. This is achieved through training and development. The training and development aim to improve the performance and focuses on three main areas, namely, human resources management, quality improvement and career development. While training focus on providing the knowledge and skills required for doing a particular job it also allows for future jobs responsibilities by increasing an employee's capabilities. Furthermore, the Municipality is committed in a continuous process in which an individual progression and this focuses on mainly two areas, namely, career planning which involves activities to be performed by the employee as well as career management which generally focuses on the steps that the Municipality is taking to foster career development which is done through offering bursaries. This Municipality also has initiatives to retain staff and is confident in sustaining such initiatives.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1. EMPLOYEE TOTAL, TURNOVER AND VACANCIES

Description	Employees				
	2014/15	2015/16			
	No. of Employees	Approved posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
Electricity	47	48	40	8	16%
Waste Management	109	133	92	41	30.82%
Roads	80	116	65	51	43.96%
Transport	3	3	3	3	0%
Planning	18	29	8	21	72.41%
Local Economic Development	2	3	2	3	33.33%
Community & Social Services	13	39	7	32	82%
Environmental Protection	0	0	0	0	0
Health	0	0	0	0	0
Safety & Security Traffic and Fire	60	65	48	17	26%
Sports & Recreation Youth Gender Disability	3	3	3	3	0
Corporate	44	52	28	24	46%
Section 56	4	5	4	1	20%

Vacancy Rate: 2015/16			
Designation	No. of Approved Posts	No. of Vacant Posts	Vacancy Rate (%)
Municipal Manager	1	1	100%
CFO	1	0	0%
Other s56 Managers	3	0	0%
Middle Managers (Excluding Finance Services)	N/A	N/A	N/A
Middle Managers (Finance Services)	3	N/A	N/A
Supervisors (Excluding Finance Services)	N/A	N/A	N/A
Supervisors (Finance Services)	N/A	N/A	N/A
Traffic Officers	N/A	N/A	N/A
Fire Fighters	N/A	N/A	N/A
Total			

Turn-over Rate			
Details	Total Appointments as of the beginning of Financial Year	Termination during the Financial Year	Turn-over Rate
2015/16	2	20	96.8%

Executive Manager: Corporate Services

The post of Executive Manager Corporate Services became vacant on 01 January 2015 and was still vacant on 01 July 2015. The post was first advertised on 27 December 2014 with a closing date of 12 January 2015. The post was re – advertised on 10 May 2015 with a closing date of 26 May 2015. The short listing took place on 15 June 2015 and 5 applicants were short listed and competency tests conducted. Interviews took place on 27 July 2015. The interviewing process was tabled at a Special Council Meeting held on 06 August 2015. **Mrs P P Ntebe –Mngoma** was appointed and commenced duties on 01 October 2015.

Chief Financial Officer

The post of Chief Financial Officer became vacant on 01 July 2015. The post was first advertised on 05 July 2015 with a closing date of 20 July 2015. The post was then re – advertised on 24 January 2016 with a closing date of 08 February 2016. Short listing took place on 10 June 2016. 3 candidates were short listed and competency tests conducted. The interviews took place on 29 March 2016. The interviewing process was tabled at a Special Council Meeting on 31 March 2016. **Mr T Mketsu** was appointed and commenced duties on 03 May 2016.

COMPONENT B: MANAGING THE WORKFORCE

The Municipality has developed and adopted human resources policies, procedures and systems which allows for fair, efficient and transparent personnel administration. The Municipality ensures enforcement and compliance to the said policies. Furthermore, the Employment Equity Plan is in place which provides information on numerical goals and target. Although there has been a moratorium in filling of vacancies since 2013, once uplifted, the targets as set out in the Employment Equity Plan shall be taken into consideration with a view to ensuring fair distribution in terms of race and gender.

4.2. POLICIES

HR Policies and Plans				
	Name of policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Recruitment of Senior Managers	N/A	N/A	Utilise regulations gazetted by COGTA
2	Sexual Harassment	N/A	N/A	N/A
3	Acting Allowance Policy	No	80%	Consultation Processes underway
4	Bereavement Policy	N/A	N/A	N/A
5	Induction Policy	N/A	N/A	N/A
6	Probation policy	N/A	N/A	N/A
7	Private Work & Declaration of interest policy	N/A	N/A	N/A
8	Protective clothing policy	N/A	N/A	N/A
9	Smoking Policy	N/A	N/A	N/A
10	Internship Policy	No	80%	Consultation Processes underway
11	Leave Policy	No	80%	Consultation Processes underway
12	Recruitment and selection Policy	No	80%	Consultation Processes underway
13	Exit Interview Policy	N/A	N/A	Policy not in place, to be developed by June 2017
14	Termination of Services Policy	N/A	N/A	N/A
15	Disciplinary Code for Councillors	N/A	N/A	N/A
16	Legal representation	N/A	N/A	N/A
17	Dress Code	No	80%	Consultation Processes underway
18	HIV/Aids	N/A	N/A	N/A
19	Promotion and Transfer/ Placement	No	80%	Consultation Processes underway
20	Benefits and allowances	N/A	N/A	N/A
21	Employment Equity plan	No	80%	Consultation Process Underway
22	Human Resources plan	N/A	N/A	N/A
23	Workplace Skills Plan	Yes	100%	April 2016
24	Bursary Policy	No	80%	Consultation Processes underway
25	Employee relocation Policy	No	80%	Consultation Processes underway
26	Membership of Professional Body	No	80%	Consultation Processes underway
27	Housing Policy	No	80%	Consultation Processes underway
28	Overtime Policy	No	80%	Consultation Processes underway
29	Training and Development	No	80%	Consultation Processes underway
30	Student Trainees in Rare skills	No	80%	Consultation Processes underway

4.3. INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken (Days)	Employees using injury leave (Number)	Proportion employees using injury leave (%)	Average Injury Leave per employee	Total Estimated Cost (R)
Required basic medical attention	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatalities	0	0	0	0	0
Total					

Number of days and cost of sick leave (excluding injuries on duty)						
Salary band	Total sick leave (Days)	Proportion of sick leave without medical certificate (%)	Employees using sick leave (Number)	Total employees in post (Number)	Average sick leave per employee (Days)	Estimated cost (R)
Lower skilled (Levels1-2)	16000	152	52	200	80	25828.81
Skilled (Levels 3- 5)	5520	16	6	69	80	47989.98
Highly skilled production (6- 8)	4560	19	4	57	80	68817.90
Highly skilled supervision (levels 9-12)	1120	25	12	14	80	179196.79
Senior management (levels 13- 15)	400	0	4	5	80	241696.47
MM and s57	400	0	0	5	80	271432.06
Total	28000	212	78	350	480	1398491.96

For all the injuries that have been sustained by employees, necessary processes are followed to ensure that firstly, the employee receives assistance, following which, all necessary documentation required by Workmen Compensation is filled. After receiving the final report from the Doctors which is also forwarded to determine compensation, the Municipality then wait for the Department to process accordingly. Follow ups are made on regular basis.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reason why not Finalized	Date Finalized
Cashiers	Theft	01/11/2014	Internal Hearing	
			Bargaining Council	
			Matter referred for review at Labour Court	

Disciplinary Action taken on cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date finalized
Cashiers X3	Theft	Internal Hearing	
		Bargaining Council	
		Matter referred for review at Labor Court	
Supervisors X 4	Theft	Internal Disciplinary Hearing	Processes still underway and have not been finalised

The suspension has lasted for over four months as a result of the matter being referred to Labor Court by the employer for the review, thus, awaiting the date from the said court. The Employer has reserved funds through the Attorney's funds in case the review is unsuccessful.

4.4. PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Beneficiary Profile				
	Gender	Total Number of Employees in Group	Number of Beneficiaries	Expenditure on Rewards	Proportion of beneficiaries within group
Lower skilled (Levels 1-2)	Male	3	2	205586.56	66.66%
	Female	2	2	178236.21	100%
Skilled (Levels 3-5)	Male	9	9	655355.04	100%
	Female	4	4	317843.69	100%
Highly skilled (Levels 6-8)	Male	N/A	N/A	N/A	N/A
	Female	N/A	N/A	N/A	N/A
Highly skilled supervisors (Levels 9-12)	Male	N/A	N/A	N/A	N/A
	Female	N/A	N/A	N/A	N/A
Middle Managers (Levels 13-15)	Male	N/A	N/A	N/A	N/A
	Female	N/A	N/A	N/A	N/A
MM and s56 Managers	Male	3	3	332557.65	100%
	Female	1	1	105830.69	100%
Total					

The Managers signed performance contract and are remunerated a 14th Cheque based on the percentage of what has been achieved in the financial year in question following assessment where presentation of portfolio of evidence is done. The calculation is in accordance with the Performance Management Policy adopted by Council

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The Municipality conducts the skills audit which enables an employee and supervisor to discuss performance and identify possible gap. The information is then consolidated into a Workplace Skills Plan which has a budget allocation. The challenge is financial constraints within the Municipality which then does not permit that all training intervention that have been proposed to be initiated.

4.5. SKILLS DEVELOPMENT AND TRAINING

[illegible]

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality [(Reg. 14(4)(a) and (c)]	B. Total number of officials employed by municipal entities [(Reg. 14(4)(a) and (c)]	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B [(Reg. 14(4)(f)]	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 [(Reg. 14(4)(f)]	Consolidated: Total number of officials that meet prescribed competency levels [(Reg. 14(4)(f)]
Financial Officials						
Accounting Officer	0	N/A	N/A	N/A	N/A	N/A
Chief Financial Officer	1	N/A	N/A	N/A	N/A	N/A
Middle Managers	3	N/A	N/A	N/A	N/A	N/A
Any other financial officials	N/A	N/A	N/A	N/A	N/A	N/A
Supply Chain Management Officials						
Heads of Supply Chain Management unit	0	N/A	N/A	N/A	N/A	N/A
Manager: Supply Chain Management	0	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A
Note: This is a statutory report under the National Treasury, Local Government: MFMA Competency Regulations (2007)						

Skills Development Expenditure										
R'000										
Management Level	Gender	Employees at the beginning of the financial year	Original Budget and Actual Expenditure on Skills Development: 2015/16							
			Learnership		Skills Programs and other shorts courses		Other form of training		Total	
		Number	Original budget	Actual	Original budget	Actual	Original budget	Actual	Original budget	Actual
MM and s56 Managers	Female	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Male	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Legislators, managers and senior officials	Female	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Male	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Professionals	Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Technicians and associate professionals	Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Clerks	Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Service and sales workers	Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plant and machine operators and assemblers	Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elementary	Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Occupations	Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sub-total	Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total										
% and R value of municipal salaries (original budget) allocated for workplace skills plan									%	R

The Municipality had set aside an amount of R480 000.00 which is aimed at funding training interventions. The said funding was 100% utilized and further to that the Municipality tapped on stakeholders to benefit from trainings that they provided at no charge. To meet the competency levels as prescribed by National Treasury, the Municipality had received funding through MSIG to assist in funding the program and is continuously exploring all avenues to ensure that further funding e.g. Services Seta is received to accommodate the program.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

The Municipality has placed strict controls in ensuring that workforce expenditure is in accordance with the budgetary provisions, amongst others, the positions that are filled are those that are budgeted for; the overtime is strictly monitored and kept at 40hours per months as per BCEA unless there are emergencies of life and death. The leave is monitored closely and encashments are only done on long service just to mention a few controls amongst many in place.

4.6. EMPLOYEE EXPENDITURE

Number of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower Skilled (Levels 1-2)	Female	N/A
	Male	N/A
Skilled (Levels 3-5)	Female	N/A
	Male	N/A
Highly Skilled (Levels 6-8)	Female	N/A
	Male	N/A
Highly Skilled supervision (Levels 9-11)	Female	N/A
	Male	N/A
Management (Levels 13-16)	Female	N/A
	Male	N/A
MM and s56 Managers	Female	N/A
	Male	N/A
Total		N/A

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
NONE	NONE	NONE	NONE	NONE

Job evaluation has not been completed as yet for GKM, the Municipality has its organogram under review and upon completion same shall be done and completed.

CHAPTER 5 – FINANCIAL PERFORMANCE

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1. STATEMENT OF FINANCIAL PERFORMANCE

Refer to the 2015/2016 Annual Financial Statements (Volume 2)

5.2. GRANTS

Grant Performance					R'000	
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating transfers and grants						
National government:						
Equitable share	47 616 000.00	47 497 000.00	0.00	47 497 000.00	0%	0%
Municipal systems improvement	934 000.00	930 000.00	0.00	930 000.00	0%	0%
Department of Energy	5 000 000.00	3 000 000.00	0.00	3 000 000.00	0%	0%
FMG	1 700 000.00	1 700 000.00	0.00	1 700 000.00	0%	0%
MIG	16 545 000.00	16 867 000.00	0.00	16 867 000.00	0%	0%
Sports and recreation	300 000.00	150 000.00	0.00	150 000.00	0%	0%
Arts and Culture	1 522 000.00	1 654 000.00	0.00	1 654 000.00	0%	0%
EPWP	1 754 000.00	1 997 000.00	0.00	1 997 000.00	0%	0%
SETA	0.00	7 155 000.00	0.00	7 155 000.00	0%	0%
Shayamoya Eco-Park	12 555 422.91	1 587 740.72	0.00	1 587 740.72	0%	0%
Industrial Park	14 867 386.00	1 412 644.15		1 412 644.15	0%	0%

Grants received from sources other than division of revenue act (DORA)						
Details of Donor	Actual Grant year 2014/15	Actual grant: 2015/16	2015/16 Municipal contribution	Date grant terminates	Date municipal contribution terminates	Nature and benefits from the grant received, include description of any contribution in kind
Shayamoya Eco-Park	12 555 422.91	1 587 740.72	0.00	N/A	N/A	N/A
Industrial Park"	14 867 386.00	1 412 644.15	0.00	N/A	N/A	N/A

5.3. ASSET MANAGEMENT

Asset management ensures the safe guarding, effective and optimal use of assets and that they are properly accounted for. Internal controls have been developed and communicated to all management and staff through clear and comprehensive written documentation.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2015/2016	
Asset 1	
Name	Shayamoya Roads Phase 3
Description	Tarred road
Asset type	Road
Key staff involved	IPD
Staff responsibilities	Maintenance
Assets value	R8 672 800.67
Asset 2	
Name	Horseshoe Road Phase 3
Description	Tarred road
Assets type	Road
Key staff involved	IPD
Staff responsibilities	
assets value	R9 147 182.62
Asset 3	
Name	Tourism Eco-Park
Description	Tourism Park
Asset type	Building
Key staff involved	LED
Assets value	R12 628 314.82

Repair and Maintenance Expenditure: 2015/16				
	Original Budget	Adjustment Budget	Actual	Budget variances
Repairs and maintenance expenditure	11 650 000.00	9 985 000.00	8 266 623.00	17.2%

5.4. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

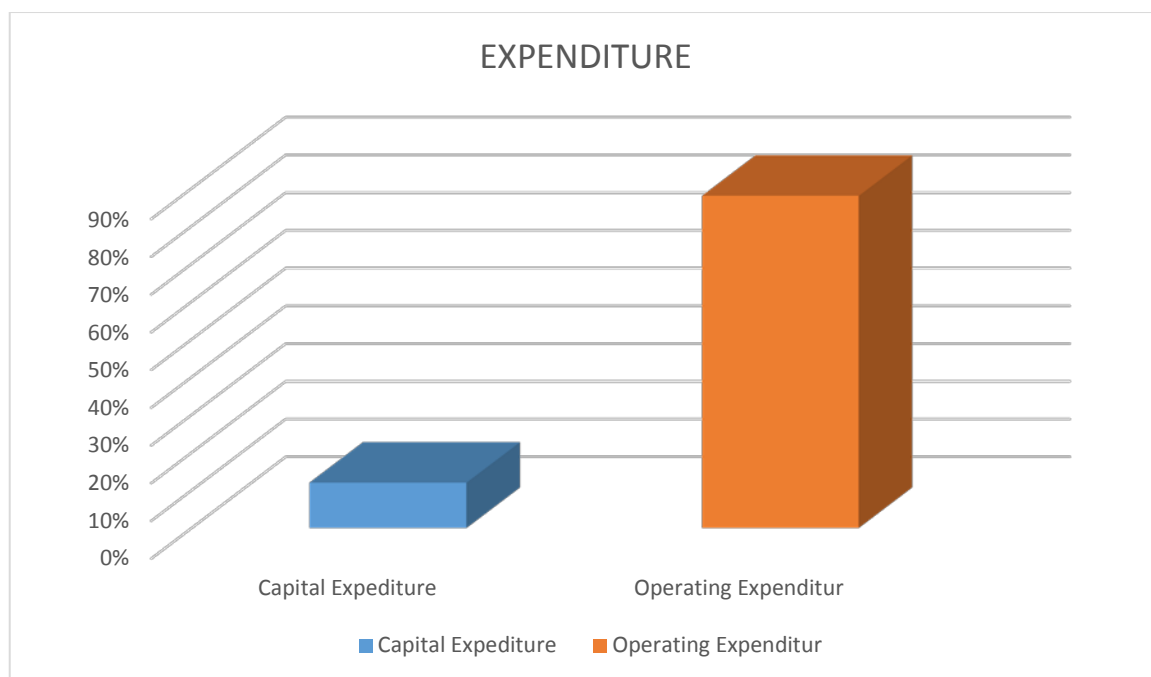
All data used is from SA8 of MBRR

- i. Liquidity Ratios = 2.29%**
Measure the Municipality's ability to pay its bill and is calculated by dividing the monetary assets (due within 1 yr.) by the municipalities current liabilities. (Higher ratio is better)
- ii. Cost Coverage = 3 MONTHS**
It explains how many months the expenditure can be covered by the cash and other liquid assets available to the municipality excluding utilization of grants
- iii. Total outstanding service debtors = 96%**
Measures how much is still owed by the municipality for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. Calculated by dividing the outstanding debtors by the total revenue. (lower score is better)
- iv. Debt coverage = 3 MONTHS**
The number of times debt payments can be accommodated within operating revenue (excludes grants). This in turn represents the ease with which debt payment can be accommodated by the municipality
- v. Creditors system efficiency = 82 DAYS**
The proportion of creditors paid within terms (ie, 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases
- vi. Capital charges to Operating expenditure = 1%**
Ratio is calculated by dividing the sum capital interest and principle paid by the total operating expenditure
- vii. Employee costs = 31.4%**
Measures what portion of the revenue was spent on paying employee costs. Calculated by dividing the total employee cost by the difference between total revenue and capital revenue
- viii. Repairs & maintenance = 2.9%**
This represents the portion of operating expenditure spent

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5. CAPITAL EXPENDITURE

This Graph representing the percentage of capital expenditure and operating expenditure.



5.6. CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 Largest Projects					
Name of Project	Current: 2015/16			Variance: 2015/16	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
A – Rehabilitation of Kokstad Roads Phase 6	R 6 000 000	R 9 085 320.00	R 8 475 007.95	-50.14%	
B – Shayamoya Taxi Route Phase 3	R 4 000 000	R4 901 300.00	R 4 495 800.55	-22.5%	
C –Horse-shoe Taxi Route Phase 3	R 3 700 000	R5 605 280.00	R 4 847 977.68	-51.5%	
D – Bhongweni Youth Centre: New Youth Indoor Centre.	R 7 000 000	R 7 000 000	R 6 431 089.96	0%	
E – ELECTRIFICATION OF NEW MARKET = 30, MARAISKOP=56 HOUSES	R 0.00	R 2 700 000	R 2 178 169.57	-100 %	
<i>*Projects with the highest capital expenditure</i>					
Rehabilitation of Kokstad Roads Phase 6– A					
Objective of Project	To ensure proper management and maintenance of the existing infrastructure				
Delays	Slow past of the Contractor				
Future Challenges	Maintenance of an asset				
Anticipated citizen benefits	2.43km of Tarred road				
Shayamoya Taxi Route Phase 3– B					
Objective of Project	To ensure proper management and maintenance of the existing infrastructure				
Delays	None				
Future Challenges	Maintenance of an asset				
Anticipated citizen benefits	1.76km of Tarred road				
Horse-shoe Taxi Route Phase 3– C					
Objective of Project	To ensure proper management and maintenance of the existing infrastructure				
Delays	None				
Future Challenges	Maintenance of an asset				
Anticipated citizen benefits	1.9km of Tarred road				

Bhongweni Youth Centre – D	
Objective of Project	To ensure provision of basic services to communities in a sustainable manner
Delays	Project was stopped due to insufficiency funds
Future Challenges	Maintenance of an asset
Anticipated citizen benefits	New Youth Indoor Centre.
Electrification Of New Market & Maraiskop – E	
Objective of Project	To develop viable alternative energy generation options
Delays	None
Future Challenges	Maintenance of an asset
Anticipated citizen benefits	86 households electrified.

5.7. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs: 2015/16						
						R'000
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjustment Budget	
Infrastructure – Road Transport	N/A	N/A	N/A	%	%	N/A
Roads, Pavements & Bridges	R 16 867 000	R 16 867 000	R 16 867 000	0%	0%	N/A
Storm water	N/A	N/A	N/A	%	%	N/A
Infrastructure – Electricity	N/A	N/A	N/A	%	%	N/A
Generation	N/A	N/A	N/A	%	%	N/A
Transmission & Reticulation	N/A	N/A	N/A	%	%	N/A
Street Lighting	N/A	N/A	N/A	%	%	N/A
Infrastructure – Water	N/A	N/A	N/A	%	%	N/A
Dams & Reservoirs	N/A	N/A	N/A	%	%	N/A
Water purification	N/A	N/A	N/A	%	%	N/A
Reticulation	N/A	N/A	N/A	%	%	N/A
Infrastructure – Sanitation	N/A	N/A	N/A	%	%	N/A
Reticulation	N/A	N/A	N/A	%	%	N/A
Sewerage purification	N/A	N/A	N/A	%	%	N/A
Infrastructure – Other	N/A	N/A	N/A	%	%	N/A
Waste Management	N/A	N/A	N/A	%	%	N/A
Transportation	N/A	N/A	N/A	%	%	N/A
Gas	N/A	N/A	N/A	%	%	N/A
Other – Specify:	N/A	N/A	N/A	%	%	N/A
	N/A	N/A	N/A	%	%	N/A
	N/A	N/A	N/A	%	%	N/A
Total	N/A	N/A	N/A	%	%	N/A

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8. CASH FLOW

Refer to 2015/16 Annual Financial Statements (Volume 2)

5.9. BORROWING AND INVESTMENTS

Actual Borrowings: year 2013/14 to year 2015/16		
Instrument	2013/14	2014/15
Municipality		
Long- term loans (annuity/reducing balance)	R1 388 077.00	R490 606.00
Financial Leases	R5 530 363.00	R3 021 017.00
Municipal Total	R6 918 440.00	R3 511 623.00

CHAPTER 6 – AUDITOR GENERAL FINDINGS AND ACTION PLAN

COMPONENT A: 2015/16 AUDIT REPORT



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Auditor-General of South Africa

Greater Kokstad Municipality - Audit report 2015-16

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on Greater Kokstad Municipality

Report on the financial statements

Introduction

1. I audited the financial statements of the Greater Kokstad Municipality set out on Volume 2, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Kokstad Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material impairments

8. Trade receivables as disclosed in note 3 to the financial statements was impaired by R28,90 million (2014-15: R25,79 million). This was as a result of an annual review of the collectability of consumer debts.

Additional matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

10. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the basic service delivery objective presented in the annual performance report of the municipality for the year ended 30 June 2016.
13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
14. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time

bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).

15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the basic service delivery objective.

Additional matters

17. I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives; however, I draw attention to the following matters:

Achievement of planned targets

18. The annual performance report on pages 62 to 94 includes information on the achievement of the planned targets for the year.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the basic service delivery objective. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

20. I performed procedures to obtain evidence that the municipality complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PM, are as follows:

Strategic planning and performance management

21. The amendments to the integrated development plan was not adopted by the council only after the proposed amendment has been published for public comment for 21 days, in contravention of Municipal Planning and Performance Management Regulation 3(4)(b).

Annual financial statements

22. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, disclosure items and cash flow statement identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were subsequently provided, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

23. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management regulation 17(a) and (c).

Human resource management

24. An appointment was made in a post of a manager directly accountable to the municipal manager that was not advertised, in contravention of section 56(3) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).
25. An approved staff establishment was not in place, as required by section 66(1)(a) of the MSA

Expenditure management

26. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

Assets management

27. An effective system of internal control over assets including an asset register was not in place, as required by section 63(2)(c) of the MFMA.

Consequence management

28. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Internal control

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the findings on compliance with legislation.

Leadership

30. The leadership did not oversee and monitor the internal controls adequately to ensure that effective measures were taken to address the previous findings on accurate and reliable financial reporting and compliance with key legislation. This was due to vacancies in key positions and slow responses by management in addressing prior year external audit recommendations including the approval of a new staff establishment.

Financial management

31. A checklist to monitor compliance with legislation relating to strategic planning and performance management, consequence management, procurement and contract management, asset management, human resource management and expenditure management was either not developed or updated by management to include all of the key legislation requirements.

Other reports

32. I draw attention to the following engagement that could potentially impact on the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of this engagement that is in progress.

Investigation

33. At the request of the municipality, the KwaZulu-Natal Provincial Treasury performed an investigation into the supply chain management unit of the municipality which covers the financial periods 2011-12 to 2015-16. The investigation was initiated based on irregular awards that were made to service providers.

Auditor - General

Pietermaritzburg

30 November 2016



AUDITOR-GENERAL
SOUTH AFRICA

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COMPONENT B: 2015/16 ACTION PLAN

Paragraph No.	Audit Query	Root Cause	Planned Management Activity	Target Date	Means of verification	Responsible Person	Progress
	HR management						
1	Appointment not supported by adequate evidence	The accounting officer did not develop an adequate document management system to ensure that documents and records supporting the compliance of recruitment processes with the applicable laws and regulations are properly filed and easily retrievable for audit purposes.	Ensure that the document management systems is utilised for the safe record keeping and filing	30 JUNE 2017	Adequate document management system for all appointment	HR: MANAGER	On going
2	Staff establishment not approved	The accounting officer and mayor did not exercise sufficient oversight over the finalisation and approval of the staff establishment so that critical vacant posts can be filled.	The management has already review the organogram it will be submitted to the council for approval	30 JUNE 2017	Approved staff establishment	MM MAYOR	On going
	Predetermined objectives						
3	Amendment to the IDP not published for required 21 days	The accounting officer did not adequately monitor the audit action plan to confirm that actions to address previous audit matters were addressed. The accounting officer did not develop and implement a MFMA compliance checklist which incorporates section 32(2) (a) and (b).	The management will ensure that progress report is tabled on monthly basis on MANCO, Develop MFMA compliance checklist.	31 MARCH 2017	MFMA compliance checklist	MM CO-ORDINATOR : ESO	On going
4	Reported information not supported by reliable	The Executive Manager: IPD did not perform an adequate review of	The management will review actual performance against	30 JUNE 2017	REVIEWED ACTUAL PERFORMANCE	Executive Manager:	On going

	evidence	reported actual performance against supporting documentation to confirm accuracy, validity and completeness of reported achievements prior to submission for audit.	supporting documentation to confirm accuracy, validity and completeness of reported achievements.		TARGETS	IPD	
	Consequence management						
5	No investigation performed by council with regards to irregular, fruitless and wasteful expenditure	<p>The accounting officer did not adequately monitor the audit action plan to confirm that actions to address previous audit matters were addressed.</p> <p>The accounting officer did not develop and implement a MFMA compliance checklist which incorporates section 32(2) (a) and (b).</p>	The management will ensure that the council appoint council for investigation of Irregular, fruitless and wasteful expenditure.	30 JUNE 2017	Appointment for council investigation	MM	On going
6	Disciplinary board has not been established	The council and accounting officer did not exercise an adequate oversight over the implementation of effective consequence management in the municipality by ensuring the establishment of disciplinary board that will support enforcement of consequence management.	The management will ensure that the council appoint council committee for investigation of Irregular, fruitless and wasteful expenditure, also implementation of consequence management	30 JUNE 2017	Establishment of disciplinary board	MM HR: MANAGER	On going
	Property, plant and equipment						

7	WIP incorrectly capitalised	<p>The Manager: budget and reporting did not perform adequate reconciliations on WIP per FAR to progress reports and completion certificates to confirm that expenditure relating to completed and incomplete projects, are accurate and complete prior to submission for audit.</p> <p>The CFO did not perform adequate reviews of work in progress reconciliation to supporting completion and payment certificates for all expenditure incurred per project to confirm the accuracy and completeness of work in progress.</p>	The management will ensure that performance of adequate reconciliation on WIP per FAR, completion certificate to confirm that expenditure relating to completed and incomplete projects, are accurate and complete	30 JUNE 2016	Signed monthly reconciliations	Manager: budget and reporting CFO	On going
8	Change in Estimate/Prior period error	The CFO did not develop policies and procedures to assess the useful lives of the PPE in accordance with the GRAP standards.	The management will develop policies and procedures to assess the useful lives of the PPE in accordance with the GRAP standards.	31 MARCH 2016	Amended Policy and procedures to assess the useful lives	CFO	On going
	Investment property						
9	Investment property asset register is understated	The Assistant Manager: Budget & Reporting and CFO did not perform a reconciliation between the valuation roll and the Investment property register to confirm the accuracy and completeness thereof.	The management will perform a reconciliation between the valuation roll and the Investment property register to confirm the accuracy and completeness	30 JUNE 2017	Signed reconciliation	CFO Assistant Manager: Budget & Reporting	On going
	Expenditure management						
10	Payment not made within 30 days	The SCM unit did not monitor the invoice register regularly to confirm	The management will ensure that monitoring of invoice	30 JUNE 2017		CFO	On going

		that all invoices received are paid within 30 days after the date of receipt.	register regularly to confirm that all invoices received are paid within 30 days after the date of receipt.				
11	Accruals and commitments discrepancies	The CFO did not perform an adequate review of the accrual listing against supporting documents and subsequent payments to confirm completeness and accuracy of accruals and commitments prior to submission for audit.	The management will perform an adequate review of the accrual listing against supporting documents and subsequent payments to confirm completeness and accuracy of accruals and commitments	30 JUNE 2017	SINGED REVIEWED ACCRUALS REGISTER	ASST MANAGER: REVENUE CFO	On going
	Procurement and contract management						
12	Bidders unfairly disqualified	The accounting officer did not exercise adequate oversight over the BAC to confirm their awards were in adherence with the applicable SCM prescripts.	The management will ensure that it exercise adequate oversight over the BAC to confirm their awards were in adherence with the applicable SCM prescripts.	30 JUNE 2017		MM	On going
13	Awards to bidders who didn't score highest points	The accounting officer and CFO did not perform an adequate review of quotation evaluation report to confirm that the evaluation was done in accordance SCM prescripts.	The management will ensure that adequate review of quotation evaluation report to confirm that the evaluation was done in accordance SCM prescripts.	30 JUNE 2017	Signed evaluation report	CFO	On going
14	Awards to suppliers which have close family members in service of the state not disclosed.	The current SCM compliance checklist adopted by the municipality is inadequate as it does not incorporate the requirements of SCM regulation 45. The CFO has not developed controls to record awards made to	The management will ensure that SCM compliance checklist adopted by the municipality is adequate and it incorporate the SCM requirements. Develop controls to record	30 April 2017	Reviewed compliance checklist	MANAGER SCM CFO	On going

		suppliers with close family members who are in the service of the state to ensure completeness of disclosure in the AFS in terms of SCM regulation 45.	awards made to suppliers with close family members who are in the service of the state				
15	Final award not made by delegated official	<p>The accounting officer did not monitor the implementation of the delegating powers to ensure that formal procedures was implemented for delegating powers to managers in the event executive managers are out of office for a period that will require staff to act/perform their duties in their absence.</p> <p>The accounting officer did not design formal procedures for setting authorization levels on MUNSOFT to ensure expenditure is approved within delegations.</p>	<p>The management will ensure that it monitor the implementation of delegation of powers to managers in the event executive managers are out of office for a period that will require staff to act/perform their duties in their absence.</p> <p>Also design formal procedures for setting authorization levels on MUNSOFT to ensure expenditure is approved within delegations.</p>	30 April 2017	<p>Reviewed delegation of powers</p> <p>Include on MUNSOFT-FORM authorisation levels</p>	MM EXM'S	On going
16	Awards made without three quotations	<p>The intern and senior SCM officer were negligent as they did not adequately verify the number of quotations submitted for the requested goods or services when completing the checklist to confirm that 3 quotations were actually received before indicating on the checklist that it was received.</p> <p>The accounting officer and CFO did not review the MUNSOFT SCM</p>	The management will review the MUNSOFT SCM evaluation report and SCM compliance checklist to confirm accuracy and validity of information prior to making the final award.				On going

		evaluation report and SCM compliance checklist to confirm accuracy and validity of information prior to making the final award.					
17	Awards to suppliers in service of the state		The management will ensure that suppliers identified during the audit are blacklisted from the supplier's database and also ensure that suppliers have submitted the declarations.	30 JUNE 2017	Lis of blacklisted suppliers. Verification against TransUnion	MANAGER: SCM	On going
18	No declaration of interest	The current SCM checklist for tenders is inadequate as it does not incorporate all key SCM requirements.	The management will ensure that the checklist is adequate and it incorporate all key SCM requirements.	30 JUNE 2017	REVIEWED SCM CHECKLIST	MANAGER: SCM	On going
19	Section 32 - Procurement of goods and services under contract secured by other organs of state	<p>The CFO and accounting officer did not develop and implement a SCM compliance checklist in respect of procuring goods and services in terms of section 32 of the Municipal SCM regulations.</p> <p>The CFO and accounting officer did not perform an adequate review of the section 32 procurement in order to ensure the compliance thereof with the applicable SCM laws and regulations, prior to the approval thereof</p>	The management develop and implement a SCM compliance checklist in respect of procuring goods and services in terms of section 32 of the Municipal SCM regulations and also perform an adequate review of the section 32 procurement in order to ensure the compliance thereof with the applicable SCM laws and regulations, prior to the approval thereof	30 JUNE 2017	Section 32 SCM compliance checklist	CFO MM	On going
	Disclosure						
20	Cash flow statement material discrepancies	The accounting officer and finance management did not adequately monitor the consultants that were	The management will adequately monitor the consultants that were utilised	30 JUNE 2017	AFS plan with deliverables signed off by both parties	CFO MM	On going

		<p>utilised to assist in the preparation of the AFS to ensure that agreed upon quality deliverables were met within the required timelines in order to produce quality GRAP compliant financial statements.</p> <p>The accounting officer did not adequately monitor the achievement of the audit action plan and recommendations by internal audit and audit committee to ensure that matters are addressed in a timely manner.</p> <p>The internal audit and audit committee did not perform a proper review of the cash flow statement to confirm the accuracy and completeness thereof in accordance with the relevant GRAP standard, prior to submission for audit.</p>	<p>to assist in the preparation of the AFS to ensure that agreed upon quality deliverables were met within the required timelines in order to produce quality GRAP compliant financial statements.</p> <p>The management and audit committee will ensure that matters are addressed in a timely manner.</p> <p>The IA and AC will ensure that they perform a proper review of the cash flow statement to confirm the accuracy and completeness thereof in accordance with the relevant GRAP standard, prior to submission for audit.</p>	<p>30 JUNE 2017</p> <p>30 JUNE 2017</p>	<p>Reviewed action progress and internal audit , audit committee recommendations</p> <p>Timeous submission of AFS for review</p>	<p>CFO MM</p> <p>CFO MM</p>	
	Consultant management						
21	Non-compliance with National Treasury instruction, GCC clause 22, MFMA sec 116(1) (b) (i) and guideline for use of consultants.	The accounting officer did not establish and communicate policies and procedures to enable and support the appointment and management of consultants in terms on the instruction and guidance issued by National	The management will establish and communicate policies and procedures to enable and support the appointment and management of consultants monitor compliance with	30 JUNE 2017	Establish policies and procedures	MM	On going

		Treasury,GCC clause 22 and MFMA sec 116(1)(b)(i). The accounting officer and CFO did not monitor compliance with National Treasury Instruction 01 of 2013/2014 Cost Containment Measures, GCC clause 22 and MFMA sec 116(1) (b) (i).	National Treasury Instruction 01 of 2013/2014 Cost Containment Measures, GCC clause 22 and MFMA sec 116(1) (b) (i).				
	INFORMATION TECHNOLOGY						
	Information technology governance						
22	IT Governance Framework not aligned to Department of Public Service and Administration guidelines	Management did not implement an adequate action plan to resolve the prior year finding. No dedicated individual had been assigned the responsibility to drive the process of updating the IT Governance Framework.	The management and audit committee will ensure that matters are addressed in a timely manner.	29 April 2017	Council resolution for adoption of Reviewed IT Governance Framework		On going
23	Information Technology Strategic Plan not adequately documented	Management did not implement an adequate action plan to resolve the prior year finding. There was a lack of skill within the IT unit to develop an adequate IT Strategic Plan.		29 April 2017	Council resolution for adoption of Reviewed ICT strategic plan	ICT Coordinator	On going
24	Service provider performance not	Management did not implement an adequate action plan to resolve the	The management will establish and communicate	31 May 2017	Council resolution for adoption of Draft	ICT Coordinator	On going

	monitored	prior year finding. A large extent of reliance and trust was placed on the service provider and controls to be enforced around segregation of duties and monitoring of the service provider was neglected or overlooked.	policies and procedures to enable and support the appointment and management of consultants monitor compliance		Procedures to monitor Service provider Council resolution for a draft to be approved		
25	Responsibilities for information security officer have not been formally delegated	Management did not implement an adequate action plan to resolve the prior year finding. Management was not aware of the risk associated with not having an ISO	The management will fast track the issue of developing an organisational structure		Appointment of the Information Security officer	Exec CS	On going
26	No signed service level agreement with service providers Munsoft and Sigma IT, Cash Power SLA not adequately documented	The municipality had not implemented the key third party management controls as per the IT Governance Framework ensuring that all service providers have adequate SLAs in place.	The Management will ensure the implementation of third party management controls	31 March 2017	Signed SLA's (Munsoft, Sigma IT, and Cash Power)		On going
	Security management						
27	IT security policy not approved	Management did not implement an adequate action plan to resolve the prior year finding. Management did not understand	Management will develop an action plan to resolve the risk of not having an approved ICT Security policy	31 March 2017	Council resolution for adoption of Draft ICT security Policy	ICT Coordinator	On going

		the risk of not having an approved IT Security policy			Council resolution for a draft to be approved		
28	The Cash Power password settings are not aligned to the ICT policy	This was attributed by lack of documented user access procedures which outline password settings for applications.	Management will develop a user access procedures	31 March 2017	Council resolution for adoption of Draft User access procedures Council resolution for a draft to be approved	ICT Coordinator	On going
29	Inadequate firewall administration and monitoring	Management did not implement and action plan to resolve the prior year finding. No individual was assigned responsibility to oversee functioning and maintenance of the firewall during the period under review.	Management will develop a Firewall policy	31 March 2017	Council resolution for adoption of Draft Firewall policy Council resolution for a draft to be approved		On going
	User access management						
30	Inadequately documented user account management procedures for network and no documented procedures for Munsoft and VIP	Management did not implement an adequate action plan to resolve the prior year finding. Management relied on a manual which contained a step by step process on how to use the system and did not understand the importance of documenting their own user account management procedures. Management did not implement and action plan to resolve the prior year finding. This was attributed by lack of capacity by the IT Unit as a	Management will develop an action plan to have user access policy and procedures to be documented.	31 March 2017	Council resolution for adoption of Draft user access policy Council resolution for a draft to be approved		On going

		result policy and procedures were not documented.					
31	No documentation completed for Munsoft , VIP and Network user account management services for terminated users	Management did not implement and action plan to resolve the prior year finding. Management did not understand the risk associated with not ensuring that documentation was completed and authorised for user management termination activities performed.	Management will develop an action plan to have user access policy and procedures to be documented.	31 March 2017	Council resolution for adoption of Draft user access policy Council resolution for a draft to be approved	ICT Coordinator	On going
32	Munsoft, VIP, Cash power and Network administrator activities not reviewed	Management did not implement and action plan to resolve the prior year finding. Management did not understand the risk associated with not ensuring that documentation was completed and authorised for user management termination activities performed.	Management will develop an action plan to have user access policy and termination forms to be documented.	31 March 2017	Council resolution for adoption of Draft user access policy Council resolution for a draft to be approved	ICT Coordinator	On going
33	Segregation of duties not enforced on Network administration, and financial systems, Munsoft and VIP	Management did not implement and action plan to resolve the prior year finding. Too much reliance placed on an individual. Moreover management did not understand the risk associated with not restricting and monitoring access rights assigned to the systems administrator.	Management will develop an action plan to have user access policy and procedures to be documented.	31 March 2017	Council resolution for adoption of Draft user access policy Council resolution for a draft to be approved	ICT Coordinator	On going

34	Munsoft had uncontrolled remote access to financial system	Management did not implement and action plan to resolve the prior year finding. This was due to lack of understanding the risk associated with allowing the service provider full access to systems and poor access controls.	Management will develop an action plan to resolve the risk of not having an approved ICT Security policy and remote access procedures	31 March 2017	Council resolution for adoption of Draft ICT security Policy Council resolution for a draft to be approved	ICT Coordinator	On going
35	No documentation completed for VIP user account management activities	Management did not implement and action plan to resolve the prior year finding. This was attributed to a lack of knowledge and awareness on the importance of utilising approved procedures to manage the user account management process.	Management will develop an action plan to have user access policy and procedures to be documented.	31 March 2017	Council resolution for adoption of Draft user access policy Council resolution for a draft to be approved	ICT Coordinator	On going
36	VIP user access rights review not performed	Management did not implement and action plan to resolve the prior year finding. No individual was officially assigned the responsibility to perform regular reviews of users' access levels on VIP application.	Management will develop an action plan to have user access policy and procedures to be documented.	31 March 2017	Council resolution for adoption of Draft user access policy Council resolution for a draft to be approved	ICT Coordinator	On going

	Facilities and environmental controls						
37	No maintenance schedule for server rooms	Management did not implement and action plan to resolve the prior year finding. This was attributed to a lack of knowledge and awareness of the importance of designing and implementing maintenance schedules.	Management will develop an ICT equipment maintenance plan	31 March 2017	Council resolution for adoption of Draft ICT equipment maintenance plan Council resolution for a draft to be approved	ICT Coordinator	On going
	IT service continuity						
38	Business Continuity Plan and Disaster Recovery Plan not documented	Management did not implement an adequate action plan to resolve the prior year finding. A lack of capacity and skilled resources to formally develop, implement and test the BCP and DRP was noted.	Management will ensure that Business Continuity Plan and Disaster Recovery Plan are developed and documented	31 March 2017	Council resolution for adoption of reviewed Business Continuity Plan and Disaster Recovery Plan Council resolution for a draft to be approved	ICT Coordinator	On going
39	Evidence of backups not maintained at the municipality	Management did not implement and action plan to resolve the prior year finding. The municipality does not have a backup server or other resource that can be used to back up the data.	Management will ensure that Business Continuity Plan and Disaster Recovery Plan are developed and documented	31 March 2017	Council resolution for adoption of reviewed Business Continuity Plan and Disaster Recovery Plan Council resolution for a draft to be approved	ICT Coordinator	On going

40	Inadequate procedures to perform restoration testing	Management did not implement and action plan to resolve the prior year finding. Lack of capacity within the IT unit affected the process of drawing the procedures that govern restoration testing.	Management will ensure that Business Continuity Plan and Disaster Recovery Plan are developed and documented	31 March 2017	Council resolution for adoption of reviewed Business Continuity Plan and Disaster Recovery Plan Council resolution for a draft to be approved	ICT Coordinator	On going
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APPENDICES

APPENDIX A: AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 30 June 2016.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. Current legislation requires that the Audit Committee meets at least four times during the year. The Audit Committee had six meetings of which two were special meetings.

The Effectiveness of Internal Control

The Audit Committee's review of the findings of the internal audit work, which was based on the risk assessments conducted in the municipality revealed certain weaknesses, in particular with the timely submission of performance information by management, as well as inadequacies in the Information and Communications Technology environment which impacts negatively on the municipality's day to day business processes. These were then raised with the municipality.

Internal Audit Activity has performed its work in accordance with the Internal Audit Plan approved by the Audit Committee

Financial and Performance Management

The Audit Committee assessed quarterly performance information reported by management as well as the annual performance report, which were all audited by Internal Audit and the Auditor-General.

The Audit Committee received assurance from management that monthly and quarterly reports on financial and performance reporting were submitted to Council and the National Treasury as required by the MFMA.

The Audit Committee further reviewed the Annual Report of the municipality to assess whether it is in line with Section 121(3) of the MFMA. The Audit Committee appreciates the attempt made by the

municipality to ensure that the Annual Report is in the format as recommended by MFMA Circular 63.

Evaluation of Financial Statements

The Audit Committee has reviewed the annual financial statements prepared by the municipality and reports that, although certain balances had to be adjusted, these financial statements were prepared in accordance with the guidelines issued by the National Treasury.

Auditor-General's Report

We have reviewed the municipality's implementation plan for audit issues raised in the prior year and we are satisfied that, whilst some had not been adequately addressed the municipality has put more effort in improving the internal control environment. A recurrence of few similar audit findings was identified by the Auditor-General South Africa during the year under review.

The Audit Committee has reviewed and accepts the opinion of the Auditor-General South Africa. The Audit Committee concurs and accepts the conclusions of the Auditor-General South Africa on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General South Africa.

Mr. M.M. Madliwa

Chairperson of the Audit Committee

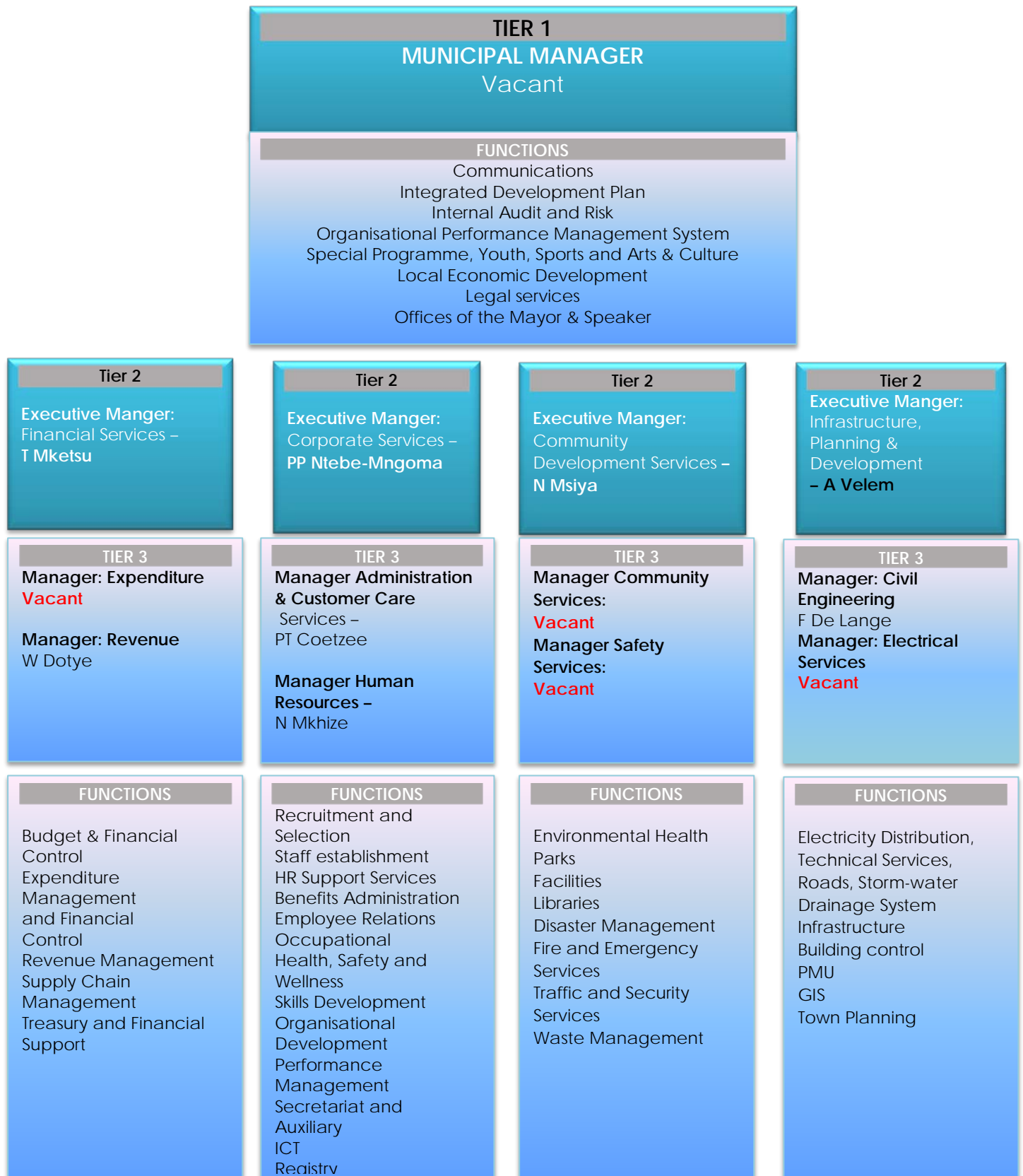
Greater Kokstad Municipality

30 November 2016

APPENDIX B: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Committee Allocations July 2015 to June 2016		
Portfolio committee	Chairperson	Members
MPAC	Councillor N Mavuka	Councillor P X Xelitole; Councillor M M Nondabula Councillor M N Dumisa; Municipal Manager: Mr Z J Mkhize Executive Manager: Community Development Services, Mr N Msiya Executive Manager: Infrastructure Planning & Development, Mr A W Velem Manager Revenue, Mr W Dotye Assistant Manager Budgeting, Ms Q Deyi Executive Support Officer, Ms H Adkins Chief Financial Officer, vacant post
Finance & Infrastructure, Planning & Development	Mayor:Councillor TN Jojozi	Councillor T M Mohlakoana; Councillor TO Madikizela Councillor L J Sithole; Councillor N L Madikizela Councillor V Ncukana; Councillor B L Marncé Executive Manager: Infrastructure, Planning & Development, Mr A Velem Manager: Revenue, Mr W Dotye Assistant Manager: Revenue, Mr S Khoza Assistant Manager: Budgeting & Compliance, Ms Q Deyi Co-ordinator: Electrical Services, Mr G T Gwagwa Co-ordinator: PMU, Mr T Shandu Co-ordinator: Spatial Planning & Development, Mr S Madikizela; Town Electrical Engineer, Mr D Barker Chief Financial Officer, vacant post Manager: Civil Engineering, Mr F De Lange Co-ordinator: Storm water & Roads, Mr W Dladla
Governance	Councillor L J Kotting	Councillor P Nocanda; Councillor N T Mqikela, Councillor M M Nondabula; Councillor M N Dlakavu Municipal Manager: Mr Z J Mkhize Manager: Human Resources, Mrs N D Mkhize Co-ordinator: Personnel Administration, Ms T Eksteen Manager: Administration & Customer Care, Mrs P T Coetzee Co-ordinator: Community Participation, Ms B Mkulisi Coordinator: Auxiliary Services, Mr N Mthimkhulu Co-ordinator: IGR and Communication, Mr S Ncwane
Community Development Services	Councillor B M Mtolo	Councillor P X Xelitole; Councillor N T Mqikela Councillor N L Madikizela; Councillor M M Nondabula, Executive Manager: Community Development Services, Mr N Msiya Senior Superintendent Traffic & Licensing, Mr M Maphanga Coordinator: Youth and Special Programmes, Mr K Xorile Manager: Local Economic Development, Mr G Ogle

APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE



APPENDIX D: WARD REPORTING

Functionality of Ward Committees					
Ward no.	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during the year
One	Cllr Phumzile Nocanda <u>Ward Committees</u> Maggie Njangwini; Nomakhepu Mantambo; Sthembiso Khukhulela; Mziwoxolo Nyembezi Nomthandazo Bobe; Nomthunzi Mhlana Msawenkosi Sosibo Gasa; Nomfundo Mgadeni	Yes	3 meetings were held on quarterly basis	120	4
Two	Cllr Nomasamariya Martha Dlakavu <u>Ward Committees</u> Ntombifuthi Nguza; Martin Ntlangulela; Eunice Janseen; Pancy Vann Nombulelo; Nomvalo Henry Nzimande; Luthando Maqhashalala; Magdeline Bason Ronald Vetter Thandeka Mathe	Yes	3 meetings were held on quarterly basis	120	4
Three	Cllr. Zolani Anthony Mhlongo <u>Ward Committees</u> Xolile Mbasane; Luyolo Phatho; Lulamile Mqhathu; Noncedo Ndlobeni; DavidBergover; Duduzile Nduna; Irvin Hermans; Raymond Ferris; Mervin Kok; Maud Faro	Yes	3 meetings were held on quarterly basis	120	4
Four	Cllr. Patrick Xolile Xhelithole <u>Ward Committees</u> Zodidi Mjwara; Beauty Di; Annacletta Rwaqa; Peter Nomsuka; Thembinkosi Khedama; Mongezi Mkhalihi; Sipho Nongqayi; Balungile Mthembu	Yes	4 meetings were held on quarterly basis	80	3
Five	Cllr N. Mavuka <u>Ward Committees</u> Themba Sophazi; Fikile Nyushman; Phindile Sophazi; Wendy Myburgh; Lizo Mzimba; Zukisani Tshangase; Bongekile Gwiliza; Nomfazi Mdoda; Cordelia Xaki; Sicelo Nkuntwana	Yes	4 meetings were held on quarterly basis	120	4
Six	Cllr T.Mohlakoana <u>Ward Committees</u> Zukiswa Mphupho; Tsebetso Jafta; Nokulunga Sondlo ;Nokwakha Maduna; Sindiswa Disane Kholeka Mtolo; Memela Siqhelu Zeka; Sakhephi Mawongo; Bonginkosi Mkoena	Yes	3 meetings were held on quarterly basis	120	4
Seven	Cllr Lulama Joseph Sithole <u>Ward Committees</u> Teyse Jojo; Ndileka Zungula; Siphiwo Mond; Thandazile Dlamini; Deon Nocanda; Busisiwe Ndabeni; Ndileka Nkuntwana; Nokwanda Kali; Xoliswa Ncenjana; Nontlantla Sifesane	Yes	3 meetings were held on quarterly basis	120	3
Eight	Cllr Monde Nondabula <u>Ward Committees</u> Nobantu Jamjam; Teboho Booi; Mqokoyi Nomaza; Nompiliso Moya; Mziwenkosi Nkungwana; Nicky Mzoyi; Bongani Mananga Sikhumbuzo Mcaba	Yes	3 meetings were held on quarterly basis	120	3
One	Cllr Phumzile Nocanda <u>Ward Committees</u> Maggie Njangwini; Nomakhepu Mantambo Sthembiso Khukhulela; Mziwoxolo Nyembezi Nomthandazo Bobe; Nomthunzi Mhlana	Yes	3 meetings were held on quarterly basis	120	4

	Msawenkosi Sosibo; Gasa Nomfundo Mgadeni				
Two	Cllr Nomasamariya Martha Dlakavu Ward Committees Ntombifuthi Nguza; Martin Ntlangulela Eunice Janseen; Pancy Vann; Nombulelo Nomvalo; Henry Nzimande; Luthando Maqhashalala; Magdeline Bason; Ronald Vetter Thandeka Mathe	Yes	3 meetings were held on quarterly basis	120	4
Three	Cllr. Zolani Anthony Mhlongo Ward Committees Xolile Mbasane; Luyolo Phatho; Lulamile Mqhathu; Noncedo Ndlobeni; DavidBergover Duduzile Nduna; Irvin Hermans; Raymond Ferris Mervin Kok; Maud Faro	Yes	3 meetings were held on quarterly basis	120	4
Four	Cllr. Patrick Xolile Xhelithole Ward Committees Zodidi Mjwara; Beauty Di; Annacletta Rwaqa Peter Nomsuka; Thembinkosi Khedama; Mongezi Mkhalihi; Sipho Nongqayi; Balungile Mthembu	Yes	4 meetings were held on quarterly basis	80	3
Five	Cllr N. Mavuka Ward Committees Themba Sophazi; Fikile Nyushman; Phindile Sophazi; Wendy Myburgh; Lizo Mzimba; Zukisani Tshangase; Bongekile Gwiliza; Nomfazi Mdoda Cordelia Xaki; Sicelo Nkuntwana	Yes	4 meetings were held on quarterly basis	120	4
Six	Cllr T.Mohlakoana Ward Committees Zukiswa Mphupho; Tsebetso Jafta; Nokulunga Sondlo; Nokwakha Maduna; Sindiswa Disane Kholeka Mtolo; Memela Sighelo Zeka Sakhephi Mawongo; Bonginkosi Mkoena	Yes	3 meetings were held on quarterly basis	120	4
Seven	Cllr Lulama Joseph Sithole Ward Committees Teyse Jojo; Ndileka Zungula; Siphiwo Mondi Thandazile Dlamini; Deon Nocanda Busisiwe Ndabeni; Ndileka Nkuntwana Nokwanda Kali; Xoliswa Ncenjana; Nontlantla Sifesane	Yes	3 meetings were held on quarterly basis	120	3
Eight	Cllr Monde Nondabula Ward Committees Nobantu Jamjam; Teboho Booi; Mqokoyi Nomaza; Nompiliso Moya; Mziwenkosi Nkungwana; Nicky Mzoyi; Bongani Mananga Sikhumbuzo Mcaba	Yes	3 meetings were held on quarterly basis	120	3

APPENDIX E: WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2015/16				R'000
Ward No.	Project Name and detail	Start Date	End Date	Total Value
1	HORSE SHOE TAXI ROUTE PHASE 3	05/03/2015	03 /11/ 2015	R 9 147 182
2.	ELECTRIFICATION OF NEW MARKET = 30, MARAISKOP=56 HOUSES	10/07/2015	16/02/2016	R 2 786 284
3.	REHABILITATION OF KOKSTAD ROADS PHASE 6	23/01/2015	27/06/2016	R 14 919 302
5	BHONGWENI YOUTH CENTRE:			

	NEW YOUTH INDOOR CENTRE.			
7	SHAYAMOYA TAXI ROUTE PHASE 3	23/01/2015	20/05/2016	R 8 672 800

Top Four Service Delivery Priorities for Ward (Highest Priority First) - PMU		
No.	Priority Name and Detail	Progress During 2015/16
1	HORSE SHOE TAXI ROUTE PHASE 3	Construction completed
2.	ELECTRIFICATION OF NEW MARKET = 30, MARAISKOP=56 HOUSES	Construction completed
3.	REHABILITATION OF KOKSTAD ROADS PHASE 6	Overlapped to 2016/17 FY
5	BHONGWENI YOUTH CENTRE: NEW YOUTH INDOOR CENTRE.	Overlapped to 2016/17 FY
7	SHAYAMOYA TAXI ROUTE PHASE 3	Construction completed

Top Four Service Delivery Priorities for Ward (Highest Priority First) - Planning		
No.	Priority Name and Detail	Progress During 2015/16
1	Shayamoya Phase 3 Housing Project (700)	Planning Stage
2	Community Residential Units (CRU) (300)	Planning Stage
3	Willowdale Housing Development (82)	Stage 2 installation of Services
4	Eastview Riverview Housing Development (82)	In Progress
5	Makhoba Housing Project (1400)	In Progress (86 units completed)
6	Sukumasakhe Housing Project (7)	Planning Stage
7	GKM Housing Sector Plan	In Progress

APPENDIX F: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

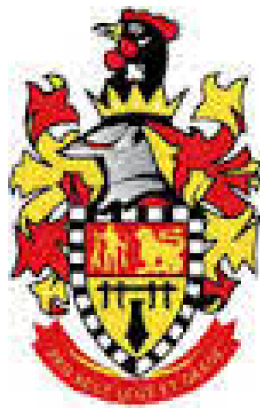
APPENDIX F (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						R'000
Vote Description	2014/15	2015/16		2016/17		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Example 1 - vote 1	36 805 000	0	9 443 000	5 231 000	15 024 000	0
Example 2 - vote 2	20 000	283 000	343 000	68 000	343 000	0
Example 3 - vote 3	155 060 000	148 775 000	147 086 000	141 250 000	151 039 000	0
Example 4 - vote 4	3 054 000	4 303 000	5 055 000	5 100 000	4 571 000	0
Example 5 - vote 5	5 665 000	6 219 000	6 469 000	5 889 000	6 857 000	0
Example 6 - vote 6	14 913 000	14 738 000	19 896 000	25 939 000	26 151 000	0
Example 7 - vote 7	2 133 000	11 273 000	1 144 000	1 000 000	1 279 000	0
Example 8 - vote 8	15 236 000	17 371 000	17 021 000	13 462 000	31 529 000	0
Example 9 - vote 9	91 721 000	111 761 000	115 253 000	106 142 000	116 965 000	0
Total Revenue by Vote	324 605 000-	314 722 000-	321 709 000-	304 081 000-	353 759 000-	0-

APPENDIX F (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						R'000
Description	2014/15	2015/16			2016/17	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Property rates	85 160 680	91 493 060	87 463 415	88 824 595	97 001 665	0
Property rates – penalties & collection charges	0	0	0	0	0	0
Service Charges – electricity revenue	88 282 560	107 387 739	108 117 803	93 424 000	116 238 610	0
Service Charges – refuse revenue	14 793 171	14 738 117	19 896 459	25 939 000	26 151 021	0
Service Charges – other revenue	1 546 977	1 213 229	1 213 229	1 205 969	1 286 023	0
Rentals of facilities	757 142	936 396	1 618 465	1 148 270	1 715 573	0
Interest earned – external investments	1 995 639	2 701 331	5 021 938	5 530 637	5 323 255	0
Interest earned – outstanding debtors	2 968 728	3 422 496	3 422 496	471 1040	3 627 845	0
Fines	12 142 114	1 196 699	1 196 699	915 076	1 268 501	0
License and permits	3 473 497	3 491 950	3 491 950	3 609 476	3 701 467	0
Transfers recognized – operational	53 611 550	53 928 000	61 083 000	54 594 000	62 303 000	0
Other revenue	1 585 875	4 345 719	7 728 069	809 910	3 616 589	0
Total Revenue (excluding capital transfers and contributions)	262 775 317	294 855 000	300 254 000	280 962 000	322 234 000	0
Variances are calculated by dividing the difference between actual and original/ adjustments budget by the actual. This table is aligned to MBRR table A4						

VOLUME TWO (2)



GREATER
KOKSTAD
MUNICIPALITY

PROVINCE OF KWAZULU-NATAL

Greater Kokstad Local Municipality
Annual Financial Statements
for the year ended 30 June 2016

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

General Information

LEGAL FORM OF ENTITY	Local Municipality	
MEMBERS OF THE COUNCIL	Cllr NT Jojozi Cllr ZA Mhlongo Cllr BM Mtolo Cllr NC Nyembezi Cllr JL Kotting Cllr PX Xelitole Cllr TM Mohlakoana Cllr LJ Sithole Cllr MM Nondabula Cllr TO Madikizela Cllr NT Mqikela Cllr MNL Madikizela Cllr V Ncukana Cllr N Mavuka Cllr P Nocanda Cllr MN Dlakavu Cllr KJ Walker Cllr BL Marncce Cllr MN Dumisa	Mayor Speaker Deputy Mayor Member of Executive Committee 01 July 2015 - 07 January 2016 Member of Executive Committee 26 February 2016 - 30 June 2016 Member Member Member Member Member 01 July 2015 - 02 June 2016 Member 01 July 2015 - 02 June 2016 Member 01 July 2015 - 07 January 2016 Member Member Member Member Member 01 July 2015 - 07 January 2016 Member 26 February 2016 - 30 June 2016 Member 26 February 2016 - 30 June 2016
GRADING OF LOCAL AUTHORITY	Grade 3	
ACTING MUNICIPAL MANAGER	Mr A. Velem	
CHIEF FINANCIAL OFFICER (CFO)	Mr T. Mketsu	03 May 2016
PHYSICAL ADDRESS	75 Hope Street Kokstad 4700	
POSTAL ADDRESS	P O Box 08 Kokstad 4700	
BANKERS	FNB	
AUDITORS	Auditor General South Africa (AGSA)	
TELEPHONE NUMBER	039-797-6600	
FAX NUMBER	039-797-3676	

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Index

The reports and statements set out below comprise the annual financial statements presented to the council:

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Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 to 55 in terms of section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality.

I certify that the salaries, allowances and benefits of councillors and payments made to councillors for loss of office, if any, as disclosed in note 28 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the constitution, read with the Remuneration of Public Officers Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Acting Municipal Manager
Mr A. Velem
31 August 2016

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Statement of Financial Position as at 30 June 2016

		2016	2015
	Note(s)	R	R
ASSETS			
Current Assets			
Cash and cash equivalents	2	88 367 345	52 715 848
Trade Receivables	3	34 585 431	26 240 250
Receivables from non-exchange transactions	4	10 236 789	4 869 062
Inventories	5	544 024	366 901
Prepayments	6	274 248	363 088
		134 007 837	84 555 149
Non-Current Assets			
Property, plant and equipment	7	472 312 617	479 501 172
Intangible assets	8	272 583	545 165
Investment property	9	114 147 839	114 235 982
Heritage assets	10	1 112 400	1 112 400
		587 845 439	595 394 719
Total Assets		721 853 276	679 949 868
LIABILITIES			
Current Liabilities			
Consumer deposits	11	4 143 302	3 954 658
Payables from exchange transactions	12	37 265 680	27 326 768
Provisions	13	2 083 866	2 168 837
Unspent conditional grants and receipts	14	5 491 947	6 446 340
Current portion of a long term loan	15	490 607	897 472
Finance lease obligation	16	1 913 605	2 346 957
Deferred income	17	2 242 868	1 401 723
VAT payable	18	1 685 393	51 237
		55 317 268	44 593 992
Non-Current Liabilities			
Borrowings	15	-	490 606
Finance lease obligation	16	1 090 983	3 021 017
Employee benefit obligation	19	18 610 604	19 103 957
		19 701 587	22 615 580
Total Liabilities		75 018 855	67 209 572
Net Assets		646 834 421	612 740 296
Accumulated surplus		646 834 421	612 740 296

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Statement of Financial Performance

		2016	2015
	Note(s)	R	R
Revenue			
Revenue from exchange transactions			
Service charges	20	123 074 035	104 622 708
Rental of facilities and equipment	21	1 841 532	757 143
Licences and permits		3 399 974	3 473 497
Other income		864 184	1 585 875
Interest earned - external investments	22	5 711 571	1 995 639
Total revenue from exchange transactions		134 891 296	112 434 862
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	23	88 824 595	85 160 680
Interest received - outstanding receivables	23	4 711 040	2 968 728
Transfer revenue			
Government grants & subsidies	24	79 930 110	110 226 603
Public contributions and donations	25	-	19 500
Fines		4 583 153	12 142 114
Provision for performance bonus recovery		373 426	1 358 807
Total revenue from non-exchange transactions		178 422 324	211 876 432
Total revenue		313 313 620	324 311 294
Expenditure			
Employee costs	26	(90 521 370)	(83 896 377)
Remuneration of councillors	27	(5 239 212)	(4 850 528)
Bulk purchases	28	(75 885 783)	(68 479 343)
Depreciation and amortisation	29	(40 479 893)	(50 540 999)
Finance costs	30	(803 936)	(1 048 491)
Debt impairment		(529 800)	-
General Expenses	31	(61 643 109)	(57 285 316)
Repairs and maintenance	32	(8 288 888)	(6 093 408)
Total expenditure		(283 391 991)	(272 194 462)
Operating surplus (deficit)		29 921 629	52 116 832
Gain (loss) on disposal of assets and liabilities		288 376	(35 682)
Gain / (Loss) on Actuarial		3 115 970	(1 090 570)
Fair value adjustments	39	768 157	748 486
		4 172 503	(377 766)
Surplus for the year		34 094 132	51 739 066

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Statement of Changes in Net Assets

	Accumulated surplus R	Total net assets R
Opening balance as previously reported	3 103 764	3 103 764
Adjustments		
Correction of error- Other PPE	(10 914)	(10 914)
Correction of repairs and maintenance	(3 527 292)	(3 527 292)
Correction of credit notes	434 442	434 442
Balance at 01 July 2014 as restated*	472 406 236	472 406 236
Changes in net assets		
Correction of creditors adjustments	26 307	26 307
Correction of duplicate creditors	144 201	144 201
Correction of error- Intangibles	817 710	817 710
Derecognition of Land and Buildings	(833 000)	(833 000)
Recognition of Land and Buildings	55 481 600	55 481 600
Derecognition of roads	(1 945 896)	(1 945 896)
Other changes and movements	(84 456)	(84 456)
Correction of creditor accruals	56 000	56 000
Correction of leave pay	(142 785)	(142 785)
Correction of other PPE	605 765	605 765
Adjustment of fair value	4 120 400	4 120 400
Recognition of Investment Property	6 440 700	6 440 700
Change in estimate	(151 146)	(151 146)
Recognition of vacant land	24 051 700	24 051 700
Correction of suspense account	7 894	7 894
Net income recognised directly in net assets	88 594 994	88 594 994
Surplus for the year	51 739 066	51 739 066
Total recognised income and expenses for the year	140 334 060	140 334 060
Total changes	140 334 060	140 334 060
Restated* Balance at 01 July 2015	612 740 289	612 740 289
Changes in net assets		
Surplus for the period	34 094 132	34 094 132
Total changes	34 094 132	34 094 132
Balance at 30 June 2016	646 834 421	646 834 421
Note(s)		

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Cash Flow Statement

	Note(s)	2016 R	2015 Restated R
Cash flows from operating activities			
Receipts			
Taxes		95 169 791	89 557 047
Sale of goods and services		95 571 020	90 690 419
Grants		77 651 717	111 889 713
Interest income		5 711 571	1 995 639
Other receipts		4 582 353	12 142 114
		<u>278 686 452</u>	<u>306 274 932</u>
Payments			
Employee costs		(90 012 823)	(83 007 274)
Suppliers		(114 178 970)	(124 246 022)
Finance costs		(803 936)	(1 048 491)
		<u>(204 995 729)</u>	<u>(208 301 787)</u>
Net cash flows from operating activities	33	<u>73 690 723</u>	<u>97 973 145</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(35 196 899)	(55 975 544)
Proceeds from sale of property, plant and equipment	7	382 363	-
Retention capitalised		36 169	180 009
		<u>(34 778 367)</u>	<u>(55 795 535)</u>
Net cash flows from investing activities		<u>(34 778 367)</u>	<u>(55 795 535)</u>
Cash flows from financing activities			
Movement in borrowings		(897 471)	(797 075)
Finance lease movement		(2 363 386)	(2 187 208)
		<u>(3 260 857)</u>	<u>(2 984 283)</u>
Net cash flows from financing activities		<u>(3 260 857)</u>	<u>(2 984 283)</u>
Net increase/(decrease) in cash and cash equivalents		35 651 499	39 193 327
Cash and cash equivalents at the beginning of the year		52 715 848	13 522 547
Cash and cash equivalents at the end of the year	2	<u>88 367 347</u>	<u>52 715 874</u>

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Statement of Comparison of Budget and Actual Amounts

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
	R	R	R	R	R	R	R	R	R	R	R
2016											
Financial Performance											
Property rates	91 493 061	(4 029 645)	87 463 416	-		87 463 416	88 824 595		1 361 179	102 %	97 %
Service charges	123 339 088	5 888 405	129 227 493	-		129 227 493	123 074 035		(6 153 458)		100 %
Fines	1 196 699	-	1 196 699	-		1 196 699	4 383 945		3 187 246	366 %	366 %
Licences and permits	3 491 950	-	3 491 950	-		3 491 950	3 465 991		(25 959)	99 %	99 %
Rental of facilities and equipment	936 396	682 070	1 618 466	-		1 618 466	1 841 532		223 066	114 %	197 %
Interest earned - external investments	2 701 332	2 320 607	5 021 939	-		5 021 939	5 711 571		689 632		211 %
Interest earned - outstanding debtors	3 422 496	-	3 422 496	-		3 422 496	4 711 040		1 288 544	138 %	138 %
Transfers recognised - operational	53 928 000	7 155 000	61 083 000	-		61 083 000	78 606 110		17 523 110	129 %	146 %
Other own revenue	4 345 720	3 382 350	7 728 070	-		7 728 070	2 107 383		(5 620 687)	27 %	48 %
Gains on Disposal of PPE	10 000 000	(10 000 000)	-	-		-	-		-		- %
Total revenue (excluding capital transfers and contributions)	294 854 742	5 398 787	300 253 529	-		300 253 529	312 726 202		12 472 673	104 %	106 %
Employee costs	(96 948 236)	(5 832 837)	(102 781 073)	-	-	(102 781 073)	(90 521 370)	-	12 259 703	88 %	93 %
Remuneration of councillors	(6 108 572)	560 000	(5 548 572)	-	-	(5 548 572)	(5 239 212)	-	309 360	94 %	86 %
Debt impairment	(13 000 000)	3 500 000	(9 500 000)			(9 500 000)	-	-	9 500 000		- %
Depreciation and asset impairment	(42 000 000)	(27 400 000)	(69 400 000)			(69 400 000)	(39 846 037)	-	29 553 963		95 %
Finance charges	(1 536 385)	(745 000)	(2 281 385)	-	-	(2 281 385)	(803 936)	-	1 477 449	35 %	52 %

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Appropriation Statement

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
	R	R	R	R	R	R	R	R	R	R	R
Materials and bulk purchases	(86 413 421)	-	(86 413 421)	-	-	(86 413 421)	(75 885 783)	-	10 527 638	88 %	88 %
Transfers and grants	(14 372 069)	-	(14 372 069)	-	-	(14 372 069)	-	-	14 372 069	- %	- %
Other expenditure	(37 760 676)	8 200 308	(29 560 368)	-	-	(29 560 368)	(69 976 093)	-	(40 415 725)	-	185 %
Contracted services	(24 599 350)	(5 961 899)	(30 561 249)	-	-	(30 561 249)	-	-	30 561 249	- %	- %
Total expenditure	(322 738 709)	(27 679 428)	(350 418 137)	-	-	(350 418 137)	(282 272 431)	-	68 145 706	81 %	87 %
Surplus/(Deficit)	(27 883 967)	(22 280 641)	(50 164 608)	-		(50 164 608)	30 453 771		80 618 379	(61)%	(109)%
Transfers recognised - capital	19 867 000	1 587 741	21 454 741	-		21 454 741	-		(21 454 741)		- %
Surplus (Deficit) after capital transfers and contributions	(8 016 967)	(20 692 900)	(28 709 867)	-		(28 709 867)	30 453 771		59 163 638	(106)%	(380)%
Surplus/(Deficit) for the year	(8 016 967)	(20 692 900)	(28 709 867)	-		(28 709 867)	30 453 771		59 163 638	(106)%	(380)%
Capital expenditure and funds sources											
Sources of capital funds											
Transfers recognised - capital	(19 867 000)	(4 288 000)	(24 155 000)	-		(24 155 000)	(20 600 000)		3 555 000	85 %	104 %
Internally generated funds	(18 100 000)	(6 925 000)	(25 025 000)	-		(25 025 000)	(9 147 000)		15 878 000	37 %	51 %
Total sources of capital funds	(37 967 000)	(11 213 000)	(49 180 000)	-		(49 180 000)	(29 747 000)		19 433 000	60 %	78 %

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Standards issued but not effective

Basis of consolidation

GRAP 1 Presentation of Financial Statements
GRAP 2 Cash Flow Statement
GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5 Borrowing Costs
GRAP 9 Revenue from Exchange Transaction
GRAP 13 Leases
GRAP 14 Events After the Reporting Date
GRAP 16 Investment Properties
GRAP 17 Property, Plant and Equipment
GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
GRAP 23 Revenue from Non-exchange Transaction
GRAP 24 Presentation of Budget Information in Financial Statements
GRAP 25 Employee Benefits
GRAP 31 Intangible Assets
GRAP 104 Financial Instruments
IGRAP 1 Traffic Fines

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 20 Related Party Disclosures
GRAP 32 Service Concession Arrangements
GRAP 108 Statutory Receivables
GRAP 109 Accounting by Principals and Agents
iGRAP 17 Service Concession arrangements where a Grantor controls a significant residual interest in an Asset

Adoption of these standards will have no material impact on future financial periods.

The following GRAP Standard has been approved but it is not required to be applied:

GRAP 18 Segment Reporting

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

Critical judgements, estimations and assumptions

In preparing the annual financial statements, management is required to make estimates and assumptions that impact on the municipality financial statements once implemented. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant Judgement includes:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

1.4 Investment property

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction cost once it meets the definition of investment property. Investment Property is initially recognised when future economic benefits or service potential are probable and the cost or fair value can be determined reliably

The cost of self-constructed investment property is the cost at date of completion.

Subsequent measurement -Fair value model

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

Derecognition

Investment property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property.

All gains or losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

1.5 Property, plant and equipment

1.5.1 Initial recognition

Property, plant and equipment are tangible non-current assets (Including infrastructure assets) that are held for use in the production or supply of goods and services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

1.5.2 Initial measurement

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.5 Property, plant and equipment (continued)

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. These assets have been revalued in line with the transitional provisions, and have been recorded at Depreciated Replacement Cost. The cost of items of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.5.3 Subsequent Measurement - Cost model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.5.4 Depreciation and impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have useful lives are depreciated separately.

Land is not depreciated as it is deemed to have an indefinite useful life.

Capital work in progress is not depreciable until it is transferred to the applicable property, plant and equipment category once it is ready and available for its intended use.

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount) and an impairment amount is charged to the Statement of Financial Performance.

The annual depreciation rates are based on the following estimated average asset lives.

Item	Average useful life
Buildings	80 years
Motor vehicles	5 - 7 years
Infrastructure	
• Roads and pavings	20 years
• Bridges	30 years
• Storm water	15 years
• Gravel	20 years
• Substation and Transformers	40 years
• Poles, Cables and Lights	15 - 25 years
• Robots	10 years

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.5 Property, plant and equipment (continued)

Community

• Buildings	80 years
• Recreational facilities	5 years
• Security system	5 years
• Dams	1 - 15 years
• Libraries	15 -20 years
• Parks and Gardens	15 years
• Cemeteries	15 - 20 years
• Community centres	5 - 20 years

Other property, plant and equipment

• Emergency equipment	5 years
• Landfill sites	15 years
• Office equipment	5 years
• Furniture and fittings	5 years
• Bins and containers	5 years
• Computer equipment	5 - 8 years

1.5.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there is no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.6 Heritage assets

Initial Recognition

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. A heritage asset shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- (b) the cost or fair value of the asset can be measured reliably.

Initial Measurement

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

Where a heritage asset has been acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent Measurement

Heritage assets are not depreciated based on their nature however the municipality assesses at each reporting date whether there is a need for impairment.

The class of heritage assets are carried at its cost less any accumulated impairment losses.

Derecognition

The carrying amount of a heritage asset is derecognised:

- (a) on disposal, or
- (b) when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.7 Intangible Assets

Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential;
- the municipality has the ability to measure reliably the expenditure during development."

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Subsequent measurement

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Residual value of intangible assets is estimated to be zero. Fully depreciated assets which are still in use are not written off.

Amortisation

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	3 - 8 years
-------------------	-------------

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality test intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.8 Financial instruments

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

Financial Assets - Classification

A financial asset is any asset consisting of cash or a contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Investments in Fixed Deposits (Banking Institutions, etc)
- Unlisted investments
- Consumer Debtors
- Certain Other Debtors.
- Short-term Investment Deposits
- Bank Balances and Cash

In accordance with GRAP 104, the Financial Assets of the municipality are classified as follows into the categories allowed by this standard:

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.8 Financial instruments (continued)

Type of Financial Asset	Classification in terms of GRAP 104
Short-term Investment Deposits – Call	Financial assets at amortised cost
Bank Balances and Cash	Financial assets at amortised cost
Long-term Receivables	Financial assets at amortised cost
Consumer Debtors	Financial assets at amortised cost
Other Debtors	Financial assets at amortised cost
Investments in Fixed Deposits	Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets held at amortised cost.

Financial Liabilities - Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Long-term Liabilities
- Trade and other payables
- Bank Overdraft
- Short-term loans

Financial Liabilities of the municipality are classified into the following category as allowed by this standard

Financial liabilities at amortised cost.

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the Effective interest method, with interest expense recognised on an effective yield basis.

Initial and Subsequent Measurement

Financial Assets:

Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the effective interest method less, any impairment, with interest recognised on an effective yield basis in surplus /deficit.

Financial assets are recognised on the trade date at which the municipality becomes party to the contractual provisions of the instrument.

Financial Liabilities

Financial Liabilities at amortised cost are initially measured at fair value net of transaction costs. Subsequently, these liabilities are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial liabilities are recognised on the trade date at which the municipality becomes a party to the contractual provisions of the instrument.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence of impairment of financial assets (such as the probability of insolvency or significant financial

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.8 Financial instruments (continued)

difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104

An allowance for impairment based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable and are recognized in surplus or deficit for the year.

An allowance for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

Changes in the carrying amount of the allowance for impairment are recognized in surplus or deficit for the year.

Derecognition of Financial Assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.9 Leases

The Municipality as lessee

Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payment due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payment, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Measurement

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies application to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayments using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies related to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful lives or the lease term.

Greater Kokstad Local Municipality

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Accounting Policies

1.10 Inventories

Initial recognition & measurement

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Derecognition

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.11 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.12 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Greater Kokstad Local Municipality

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

1.13 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

An asset is considered to be impaired when its market value falls lower than its carrying value

1.14 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.15 Post-employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.15 Post-employee benefits (continued)

Medical Aid

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.16 Provisions

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.16 Provisions (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 44.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.17 Revenue from exchange transactions

Recognition

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b) The amount of revenue can be measured reliably; and
- c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Measurement

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from General Valuation and Supplementary Rolls is recognised when valuation rolls are effective and when rates are billed.

Revenue from sale of electricity from prepaid meters is recognised at the point of sale

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transactions.

Greater Kokstad Local Municipality

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Accounting Policies

1.17 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.18 Revenue from non-exchange transactions

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.19 Value Added Taxation

The Municipality accounts for Value Added Tax on the payment basis. This means that VAT is declared to the South African Revenue Services as input VAT or output VAT only when payments are made to suppliers or payments are received for goods or services. The net output VAT on debtors where money has not been received or creditors where payment has not yet been made is disclosed separately in the Statement of Financial Position in terms of GRAP 1

1.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.21 Unauthorised expenditure

Unauthorised expenditure is an expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is an expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24 Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date;
- where disclosure is required by a specific standard of GRAP

Greater Kokstad Local Municipality

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Accounting Policies

1.25 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2015/07/01 to 2016/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.26 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Greater Kokstad Local Municipality

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Notes to the Annual Financial Statements

	2016 R	2015 R
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	12 333	12 333
Bank balances	9 313 360	1 726 837
Call deposits	79 041 652	50 976 678
	88 367 345	52 715 848

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
FNB - Primary Account -527-2002-4258	6 293 823	3 660 333	9 313 360	1 726 837
FNB - 620-4994-7825	14 495 867	10 346 476	14 495 867	10 346 476
FNB - 622-9521-8947	1 000	474 012	1 000	1 000
FNB - 620-6810-2682	26 819	26 401	26 819	26 401
FNB - 620-8937-2868	3 756 387	2 607 114	3 756 387	1 298 136
FNB - 620-8992-7663	1 000	621 199	1 000	337 795
FNB - 621-9170-1476	1 324 825	638 355	6 323	7 355
FNB - 621-0368-9230	1 263 764	1 205 470	1 263 764	1 205 470
FNB - 621-9024-8221	2 083 853	1 986 714	2 083 853	1 986 714
STD - 308-644-085	3 617 324	1 680 436	3 617 254	1 680 436
NED - 0371-6501-3687	67 022	63 044	67 022	63 044
FNB - 623-0064-1611	2 183	4 161	2 189	4 161
NED - 716-501-3660	2 407 448	323 986	394 487	323 986
NED -0371-6501-4276	419 954	247 360	307 552	247 360
ABSA - 207-483-6976	16 423 549	10 316 283	16 423 555	10 316 283
STANDARD BANK RESERVE ACCOUNT	16 445 273	10 321 267 -	16 445 273	10 321 267 -
NEDBANK RESERVE ACCOUNT	16 282 329	10 297 189 -	16 282 329	10 297 189 -
DOE 6385-1558-80001	3 866 978	2 513 606 -	3 866 978	2 513 606 -
Total	88 779 398	57 333 406	88 355 012	52 703 516

3. Trade receivables

Gross balances

Rates from non exchange transactions	23 538 641	18 800 210
Electricity from exchange transactions	21 740 611	10 426 842
Refuse from exchange transactions	16 630 969	9 202 771
Fire Levy from exchange transactions	1 571 130	9 262 432
Add : Debtors with credit balances	-	4 341 774
	63 481 351	52 034 029

Less: Allowance for impairment

Rates from non exchange transactions	(10 700 214)	(14 296 988)
Electricity from exchange transactions	(9 920 444)	(584 435)
Refuse from exchange transactions	(7 564 892)	(5 991 528)
Fire Levy from exchange transactions	(710 370)	(4 920 839)
	(28 895 920)	(25 793 790)

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
3. Trade receivables (continued)		
Net balance		
Rates from non exchange transactions	12 838 427	4 503 222
Electricity from exchange transactions	11 820 167	9 842 408
Refuse from exchange transactions	9 066 077	3 211 253
Fire Levy from exchange transactions	860 760	4 341 593
Add: Debtors with credit balances	-	4 341 774
	34 585 431	26 240 250
Rates		
Current (0 -30 days)	3 351 533	2 601 593
31 - 60 days	1 722 198	1 357 387
61 - 90 days	833 682	656 615
91 - 120 days	503 087	431 493
121 - 365 days	17 128 141	13 753 121
	23 538 641	18 800 209
Electricity		
Current (0 -30 days)	7 845 832	5 637 711
31 - 60 days	2 181 478	1 173 212
61 - 90 days	972 160	509 245
91 - 120 days	460 388	371 995
121 - 365 days	10 280 753	2 734 679
	21 740 611	10 426 842
Refuse		
Current (0 -30 days)	2 494 308	1 218 269
31 - 60 days	1 895 296	836 813
61 - 90 days	1 362 067	688 802
91 - 120 days	836 797	607 720
121 - 365 days	10 042 501	5 851 167
	16 630 969	9 202 771
Fire Levy from exchange transaction		
Current (0 -30 days)	124 412	991 446
31 - 60 days	101 082	459 822
61 - 90 days	81 562	385 516
91 - 120 days	53 174	329 993
121 - 365 days	1 210 900	7 095 654
	1 571 130	9 262 431

Greater Kokstad Local Municipality

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Notes to the Annual Financial Statements

	2016 R	2015 R
3. Trade receivables (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	2 398 242	2 560 516
31 - 60 days	3 017 459	2 170 101
61 - 90 days	1 996 471	1 482 209
91 - 120 days	1 356 659	1 238 538
121 - 365 days	30 827 053	23 918 945
	39 595 884	31 370 309
Add: Debtors with credit balances	4 586 695	4 341 774
	44 182 579	35 712 083
Industrial/ commercial		
Current (0 -30 days)	6 728 494	6 461 045
31 - 60 days	2 086 854	1 647 998
61 - 90 days	884 311	752 107
91 - 120 days	614 005	499 054
121 - 365 days	432 287	635 438
> 365 days	7 954 446	5 002 677
	18 700 397	14 998 319
National and provincial government		
Current (0 -30 days)	1 492 257	1 427 458
31 - 60 days	(30 143)	9 134
61 - 90 days	(25 766)	5 863
91 - 120 days	1 955	3 609
121 - 365 days	711	768
> 365 days	(840 639)	(123 205)
	598 375	1 323 627
Total		
Current (0 -30 days)	13 816 085	10 449 019
31 - 60 days	5 900 054	3 827 234
61 - 90 days	3 249 471	2 240 179
91 - 120 days	1 853 446	1 741 200
121 - 365 days	38 662 295	29 434 623
	63 481 351	47 692 255
Add: Debtors with credit balances	-	4 341 774
Less: Allowance for impairment	(28 895 920)	(25 793 789)
	34 585 431	26 240 240
Less: Allowance for impairment		
Current (0 -30 days)	(3 094 096)	(2 720 064)
31 - 60 days	(1 479 782)	(1 300 899)
61 - 90 days	(3 228 623)	(2 838 327)
91 - 120 days	(874 419)	(768 714)
121 - 365 days	(20 219 000)	(18 165 785)
	(28 895 920)	(25 793 789)

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
3. Trade receivables (continued)		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(25 793 789)	(23 013 344)
Contributions to allowance	(3 102 131)	-
Reversal of allowance	-	(2 780 445)
	(28 895 920)	(25 793 789)

Consumer debtors past due but not impaired

The ageing of amounts past due but not impaired is as follows:

1 month past due	7 894 508	1 650 000
2 months past due	1 987 306	800 411
3 months past due	12 169	652 000

4. Receivables from non-exchange transactions

Fines	5 443 435	3 019 585
SETA	420 128	-
National Treasury	1 324 000	-
Sundry debtors	2 449 939	1 596 350
Add: Debtors with credit balances	599 287	253 127
	10 236 789	4 869 062

5. Inventories

Stores and materials	544 024	366 901
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Inventories consists of consumables and fuels.

6. Prepayments

Prepayments	274 248	363 088
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Licence fees for computer software were prepaid.

7. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	124 893 488	(86 572 444)	38 321 044	124 893 488	(84 983 552)	39 909 936
Motor vehicles	7 991 596	(6 303 593)	1 688 003	8 213 254	(5 831 214)	2 382 040
Infrastructure	566 006 067	(263 427 056)	302 579 011	544 787 690	(237 516 566)	307 271 124
Community	157 099 778	(90 913 252)	66 186 526	121 661 331	(88 026 127)	33 635 204
Other property, plant and equipment	23 559 931	(19 167 195)	4 392 736	23 459 424	(16 846 282)	6 613 142
Capital work in progress	59 145 297	-	59 145 297	89 689 726	-	89 689 726
Total	938 696 157	(466 383 540)	472 312 617	912 704 913	(433 203 741)	479 501 172

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Land and Buildings	39 909 936	-	-	-	-	(1 588 892)	38 321 044
Motor vehicles	2 382 040	526 928	(93 987)	-	-	(1 126 978)	1 688 003
Infrastructure	307 271 124	-	-	30 487 652	(2 904 293)	(32 275 472)	302 579 011
Community	33 635 204	-	-	35 438 447	-	(2 887 125)	66 186 526
Other property, plant and equipment	6 613 142	108 446	-	-	-	(2 328 852)	4 392 736
Capital work in progress	89 689 726	34 561 525	-	(65 105 954)	-	-	59 145 297
	479 501 172	35 196 899	(93 987)	820 145	(2 904 293)	(40 207 319)	472 312 617

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Correction of error	Other changes, movements	Depreciation	Total
Land and Buildings	42 401 317	-	-	-	(833 000)	119 924	(1 778 305)	39 909 936
Motor vehicles	3 891 194	-	-	-	-	-	(1 509 154)	2 382 040
Infrastructure	317 313 916	-	-	29 756 899	1 634 849	(1 945 895)	(39 488 645)	307 271 124
Community	34 197 970	-	-	9 938 518	-	(7 128 312)	(3 372 972)	33 635 204
Other property, plant and equipment	10 027 835	64 675	(35 682)	136 344	443 706	-	(4 023 736)	6 613 142
Capital work in progress	79 048 417	55 910 869	-	(39 831 761)	(5 257 760)	(180 039)	-	89 689 726
	486 880 649	55 975 544	(35 682)	-	(4 012 205)	(9 134 322)	(50 172 812)	479 501 172

Assets subject to finance lease (Net carrying amount)

Motor vehicles	1 688 003	2 382 040
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Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
7. Property, plant and equipment (continued)		
Other information		
Property, plant and equipment fully depreciated and still in use (Gross carrying amount)		
Motor vehicles	-	5
Furniture and fittings	-	1 236
Plant and equipment	-	54
Office equipment	-	282
Computer equipment	-	311
	-	1 888

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

8. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 180 556	(1 907 973)	272 583	2 180 556	(1 635 391)	545 165

Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Computer software	545 165	(272 582)	272 583

Reconciliation of intangible assets - 2015

	Opening balance	Transfers	Amortisation	Total
Computer software	25	817 709	(272 569)	545 165

9. Investment property

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property - Land & Buildings	114 147 839	-	114 147 839	114 235 982	-	114 235 982

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
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9. Investment property (continued)

Reconciliation of investment property - 2016

	Opening balance	Transfers	Fair value adjustments	Total
Investment property - Land & Buildings	114 235 982	(856 300)	768 157	114 147 839

Reconciliation of investment property - 2015

	Opening balance	Transfers	Correction of error	Fair value adjustments	Total
Investment property - Land & Buildings	22 801 496	591 600	90 094 400	748 486	114 235 982

Details of valuation

The effective date of the revaluations was 01 July 2014. Revaluations were performed by an independent valuer, Mr Hendrik Coenraad Botha of HCB Property Valuers. Mr Hendrik Coenraad Botha is not connected to the municipality and has recent experience in location and category of the investment property being valued.

Rental revenue from investment property	944 519	461 675
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10. Heritage assets

	2016			2015		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum	1 112 400	-	1 112 400	1 112 400	-	1 112 400

Reconciliation of heritage assets 2016

	Opening balance	Total
Museum	1 112 400	1 112 400

Reconciliation of heritage assets 2015

	Opening balance	Transfers	Total
Museum	1 232 325	(119 925)	1 112 400

11. Consumer deposits

Electricity	4 143 302	3 954 658
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Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
12. Payables from exchange transactions		
Trade payables	1 161 190	240 061
Accrued leave pay	5 280 233	5 164 511
National Revenue Fund (NRF)	2 831 500	-
Other payables	9 833 362	11 690 072
Add: Debtors with credit balances	5 185 982	4 594 901
Retentions	2 272 211	2 308 365
Creditor accruals	10 701 202	3 328 858
	37 265 680	27 326 768

13. Provisions

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for performance bonus	2 168 837	2 083 866	(1 795 411)	(373 426)	2 083 866

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for performance bonus	4 378 768	2 168 837	(3 019 961)	(1 358 807)	2 168 837

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Horseshoe Township	1 352 108	1 293 814
Financial Management Grant	-	5 544
IDP Community participation	85 672	85 672
Peoples Housing Project 12 and 13	27 376	26 958
Shayamoya Eco- Complex	31 743	31 743
Small Town Rehabilitation	3 550 740	1 676 958
Industrial Park	177 382	128 865
Sports & Recreation	266 926	410 501
DOE	-	2 786 285
	5 491 947	6 446 340

15. Borrowings

The following loan bears interest at 12.26% per annum, with bi-annual instalments of R327 267.29 in December and June. The loan is repayable by 31 December 2016 and the capital portion amounts to R 490 607.

Current portion	490 607	897 471
Non- current portion	-	490 606
	490 607	1 388 077

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
16. Finance lease obligation		
Minimum lease payments due		
- within one year	2 184 460	2 852 662
- in second to fifth year inclusive	1 138 281	3 313 320
	3 322 741	6 165 982
less: future finance charges	(318 153)	(798 008)
Present value of minimum lease payments	3 004 588	5 367 974
Present value of minimum lease payments due		
- within one year	1 913 605	2 346 957
- in second to fifth year inclusive	1 090 983	3 021 017
	3 004 588	5 367 974
Non-current liabilities	1 090 983	3 021 017
Current liabilities	1 913 605	2 346 957
	3 004 588	5 367 974
17. Deferred Income		
Sale of land	2 242 868	1 401 723
Income was received for the sale of land which the risks and rewards are still with the municipality and for the sales of electricity.		
18. VAT payable		
Tax payable	1 685 393	51 237

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
19. RETIREMENT BENEFITS AND LONG SERVICE AWARD		
Defined benefit plan		
The plan is a post employment medical benefit plan.		
Post employment health care benefits		
Present value of the defined benefit obligation - wholly unfunded	(10 995 518)	(12 966 960)
Net actuarial gains or losses recognised	(2 346 746)	(1 516 928)
Current service cost	(638 732)	(521 065)
Interest cost	(1 373 295)	(1 139 661)
Benefits paid	489 420	455 604
	(14 864 871)	(15 689 010)
Long service awards		
Opening balance	(3 414 947)	(3 031 335)
Net actuarial gains and losses not recognised	(100 549)	(132 680)
Current service cost	(350 789)	(312 012)
Interest cost	(259 801)	(232 598)
Benefits paid	380 353	293 678
	(3 745 733)	(3 414 947)

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
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19. RETIREMENT BENEFITS AND LONG SERVICE AWARD (continued)

PeHCL report

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

2016
R

2015
R

Table A5.1 Past year and future projected Liability

	Year ending 30/06/2016	Year ending 30/06/2017	Year ending 30/06/2018
Opening Accrued Liability	15,689,010	14,864,871	16,222,707
Current-service Cost	638,732	516,444	564,158
Interest Cost	1,373,295	1,350,372	1,473,910
Expected Contributions (benefits paid)	* (489,420)	* (508,980)	* (551,325)
Total Annual Expense	1,522,607	1,357,836	1,486,743
Actuarial Loss / (Gain)	(2,346,746)		
Closing Accrued Liability	14,864,871	16,222,707	17,709,450

Table A5.3 Reconciling and Projecting the Unfunded Accrued Liability

	Year ending 30/06/2016	Year ending 30/06/2017
Unfunded Accrued Liability		
Opening Balance	15,689,010	14,864,871
Current-service Cost	638,732	516,444
Interest Cost	1,373,295	1,350,372
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	(2,346,746)	-
Past-service Cost	-	-
Effect of Curtailment/Settlement	-	-
Expected Employer Benefit Payments	(489,420)	(508,980)
Closing Balance	14,864,871	16,222,707
Projected Accrued Liability	17,211,617	16,222,707

Table A5.4 Net Liability to reflect in the Balance Sheet

	Year ending 30/06/2016	Year ending 30/06/2017
Net Liability in Balance Sheet		
Opening Balance	15,689,010	14,864,871
Current-service Cost	638,732	516,444
Interest Cost	1,373,295	1,350,372
Expected Return on Plan Assets	-	-
Transitional Liability Recognised	-	-
Actuarial (Gain)/Loss Recognised in P&L	(2,346,746)	-
Past-service Cost Recognised	-	-
Effect of Curtailment/Settlement	-	-
Net Periodic Cost Recognised in P&L	(334,719)	1,866,816
Expected Employer Benefit Payments	(489,420)	(508,980)
Transitional Liability Recognised	-	-
Employer Prefunding Contributions	-	-
Actuarial (Gain)/Loss Recognised outside P&L	-	-
Closing Balance	14,864,871	16,222,707
Current Portion of Liability (due in the next 12 months)	508,980	551,325
Non-Current Portion of Liability	14,355,891	15,671,382

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

2016	2015
R	R

Table A3.1 Past year and future projected Liability

	Year ending 30/06/2016	Year ending 30/06/2017	Year ending 30/06/2018
Opening Accrued Liability	3,414,947	3,745,728	4,050,561
Current-service Cost	350,789	368,979	400,578
Interest Cost	259,801	305,290	327,168
Expected Benefit Vestings	*(380,358)	(369,436)	(470,246)
Total Annual Expense	230,232	304,833	257,500
Actuarial Loss / (Gain)	100,549		
Closing Accrued Liability	3,745,728	4,050,561	4,308,061

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
20. Service charges		
Sale of electricity	97 496 381	88 282 560
Refuse removal	23 921 441	14 793 171
Other service charges	1 656 213	1 546 977
	123 074 035	104 622 708
21. Rental of Facilities and Equipment		
Rental of facilities	1 820 411	652 378
Advertising	21 121	104 764
	1 841 532	757 142
22. Investment revenue		
Interest revenue		
Interest received	5 711 571	1 995 639
23. Property rates		
Rates received		
Residential	23 655 798	21 644 627
Commercial	15 902 557	15 312 853
Public service infrastructure	50 047	58 829
Government	43 721 390	43 725 057
Industrial	6 906 949	7 827 245
Agriculture	3 493 616	3 297 802
Sectional titles	943 956	933 951
Less: Rates rebates	(5 849 718)	(7 639 684)
	88 824 595	85 160 680
Interest received - outstanding receivables	4 711 040	2 968 728
	93 535 635	88 129 408
Valuations		
Residential	1 869 712 327	1 922 436 606
Commercial	558 230 800	507 529 995
Public benefit organisation	76 781 700	133 914 375
Municipal	166 449 900	52 854 580
Government	1 127 583 000	2 047 564 735
Industrial	270 989 400	274 754 820
Agricultural	975 179 600	912 827 165
Public service infrastructure	15 305 600	1 682 184
Multipurpose	143 900	18 901 865
	5 060 376 227	5 872 466 325

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
24. Government grants and subsidies		
Operating grants		
Equitable share	47 497 000	47 616 000
MSIG Project Consolidate	930 000	934 000
FMG	1 705 544	1 694 456
Sport and Recreation	143 575	91 094
SETA	1 252 391	-
Expanded Public Works Programme	1 997 000	1 754 000
Arts and Culture	1 654 000	1 521 999
	55 179 510	53 611 549
Capital grants		
Small Town Rehabilitation	1 126 218	9 542 462
DOE	2 786 285	2 213 715
Energy Efficiency Grant	168 500	-
Municipal Infrastructure Grant	16 867 000	16 551 525
Housing	-	1 045 150
Shayamoya Eco-Complex	2 438 470	12 523 680
Development of Light industrial park	1 364 127	14 738 521
	24 750 600	56 615 053
	79 930 110	110 226 602

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Housing

Current-year receipts	-	1 045 150
Conditions met - transferred to revenue	-	(1 045 150)
	-	-

This grant is used for upgrading informal settlement areas within the Municipality. No funds were withheld

Financial Management Grant - FMG

Balance unspent at beginning of year	5 544	-
Current-year receipts	1 700 000	1 700 000
Conditions met - transferred to revenue	(1 705 544)	(1 694 456)
	-	5 544

This grant was used for implementation of MFMA, finance reforms and payment of intern's salaries.

Municipal Infrastructure Grant - MIG

Balance unspent at beginning of year	-	6 525
Current-year receipts	16 867 000	16 545 000
Conditions met - transferred to revenue	(16 867 000)	(16 551 525)
	-	-

This grant is used for road infrastructure as part of upgrading of infrastructure projects.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
24. Government grants and subsidies (continued)		
Small Town Rehabilitation		
Balance unspent at beginning of year	1 676 958	3 219 420
Current-year receipts	3 000 000	8 000 000
Conditions met - transferred to revenue	(1 126 218)	(9 542 462)
	3 550 740	1 676 958

This grant is used for development in town like upgrading sidewalks, parkings and storm water drainage.

Peoples Housing Project 12 & 13

Balance unspent at beginning of year	26 959	26 693
Current-year receipts	417	266
	27 376	26 959

This grant is used for upgrading informal settlement areas within the Municipality. No funds were withheld.

Horseshoe Township

Balance unspent at beginning of year	1 293 814	1 243 325
Current-year receipts	58 294	50 489
	1 352 108	1 293 814

This grant is used for upgrading informal settlement areas within the Municipality. No funds were withheld.

MSIG Project Consolidate

Current-year receipts	930 000	934 000
Conditions met - transferred to revenue	(930 000)	(934 000)
	-	-

This grant is used for Ward Committee Participation, by-laws and policies and systems that support local government legislations. Municipal Audit outcome and General Valuation Roll. No funds were withheld.

Arts and culture

Current-year receipts	1 654 000	1 522 000
Conditions met - transferred to revenue	(1 654 000)	(1 522 000)
	-	-

This grant is used for the provision of staffing costs for Library services within the Municipality. No funds were withheld.

Sports and Recreation

Balance unspent at beginning of year	410 501	201 595
Current-year receipts	-	300 000
Conditions met - transferred to revenue	(143 575)	(91 094)
	266 926	410 501

This grant is used for upgrading and maintainance of Sports field. No funds were withheld.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
24. Government grants and subsidies (continued)		
IDP		
Balance unspent at beginning of year	85 673	85 673
This grant is for IDP compilation and processes.		
EPWP		
Current-year receipts	1 997 000	1 754 000
Conditions met - transferred to revenue	(1 997 000)	(1 754 000)
	-	-
Shayamoya eco complex		
Balance unspent at beginning of year	31 743	-
Current-year receipts	2 438 470	12 555 423
Conditions met - transferred to revenue	(2 438 470)	(12 523 680)
	31 743	31 743
Light industrial park		
Balance unspent at beginning of year	128 865	-
Current-year receipts	1 412 644	14 867 386
Conditions met - transferred to revenue	(1 364 127)	(14 738 521)
	177 382	128 865
DOE		
Balance unspent at beginning of year	2 786 285	-
Current-year receipts	-	5 000 000
Conditions met - transferred to revenue	(2 786 285)	(2 213 715)
	-	2 786 285
Conditions still to be met - remain liabilities (see note 14)		
SETA		
Current-year receipts	832 263	-
Conditions met - transferred to revenue	(1 252 391)	-
	(420 128)	-
Conditions still to be met - remain liabilities		
Energy Efficiency Grant		
Current-year receipts	3 000 000	-
Conditions met - transferred to revenue	(168 500)	-
	2 831 500	-
Conditions still to be met - remain liabilities.		

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
25. Public contributions and donations		
Donations Received	-	19 500

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
26. Employee related costs		
Basic	56 296 383	50 744 772
Bonus	3 572 258	3 401 782
Medical aid - company contributions	5 242 535	4 849 980
UIF	490 815	470 934
SDL	740 282	718 273
Leave pay provision	1 041 277	1 100 099
Pension fund	10 416 624	10 612 907
Travel, motor car, accommodation, subsistence and other allowances	3 598 440	3 455 849
Overtime payments	3 275 207	2 603 977
Long-service awards	-	14 358
Housing benefits and allowances	1 141 066	1 283 912
Performance bonus	2 083 866	2 168 838
Interest on post employment benefits	1 633 096	1 372 259
Current Service Cost	989 521	1 098 437
	90 521 370	83 896 377
Remuneration of municipal manager		
Annual Remuneration	445 944	691 652
Car Allowance	185 227	300 000
Performance Bonuses	123 411	-
Cellphone allowance	12 966	21 000
Housing subsidy	22 968	37 200
Leave paid	81 841	-
	872 357	1 049 852
Remuneration of Chief Finance Officer- ND Gqola - July 2015		
Annual Remuneration	6 253	523 860
Car Allowance	2 882	253 586
Performance Bonuses	105 831	14 400
Cellphone allowance	164	78 414
Contributions to UIF, Medical and Pension Funds	891	-
Leave paid	130 338	-
	246 359	870 260
Remuneration of Chief Financial Officer - GC Leatsoalo - 07 Sept 2015- 04 Mar 2016		
Annual Remuneration	276 718	-
Car Allowance	161 085	-
Cellphone allowance	7 255	-
	445 058	-
Remuneration of Chief Financial Officer - TL Mketsu - 03 May 2016 - 30 June 2016		
Annual Remuneration	96 368	-
Car Allowance	32 123	-
Cellphone allowance	2 127	-
	130 618	-

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
26. Employee related costs (continued)		
Remuneration of Corporate Service Manager		
Annual Remuneration	387 004	266 053
Car Allowance	140 364	60 218
Cellphone allowance	10 527	7 418
Contributions to UIF, Medical and Pension Funds	100 886	47 394
Housing subsidy	16 753	61 818
	655 534	442 901
Remuneration of Social Development Manager		
Annual Remuneration	536 358	523 358
Car Allowance	175 939	171 939
Cellphone allowance	14 400	14 400
Contributions to UIF, Medical and Pension Funds	125 091	104 574
Housing subsidy	77 988	61 600
Performance bonus	103 316	-
	1 033 092	875 871
Remuneration of Infrastructure Planning and Development Manager		
Annual Remuneration	549 226	518 916
Car Allowance	142 154	143 344
Cellphone allowance	23 011	22 333
Contributions to UIF, Medical and Pension Funds	150 645	133 067
Housing subsidy	64 740	61 600
performance bonus	105 831	-
	1 035 607	879 260
27. Remuneration of councillors		
Mayor	706 707	663 759
Deputy Mayor	577 871	534 973
Speaker	502 456	534 973
Executive Committee Member	267 607	224 561
Councillors	1 901 924	1 614 830
Councillors' pension and medical aid contributions	576 777	285 216
Councillors allowances	705 870	992 216
	5 239 212	4 850 528
In-kind benefits		
The Mayor, Deputy Mayor, Speaker are full-time. The Mayor is provided with an office and secretarial support at the cost of the Council.		
The Mayor and the Deputy Mayor and speaker each have the use of separate Council owned vehicles for official duties.		
28. Bulk purchases		
Electricity	75 885 783	68 479 343

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
29. Depreciation and amortisation		
Property, plant and equipment	40 207 311	50 268 430
Intangible assets	272 582	272 569
	40 479 893	50 540 999
30. Finance costs		
Fair value adjustments: Notional Interest	146 670	42 406
Borrowings	657 266	1 006 085
	803 936	1 048 491
31. General expenses		
Administration	67 057	-
Advertising	426 130	535 797
Auditors remuneration	3 596 773	3 408 158
Bank charges	432 798	475 119
Commission paid	1 044 883	1 014 716
Conferences and seminars	20 922	46 979
Consulting and professional fees	1 251 799	1 329 389
Collection costs	611 197	396 053
Departmental consumption	1 416 947	732 028
Bursaries	106 876	340 114
Electricity network	6 046	151 581
Financial management grant	1 129 598	843 007
Fuel and oil	2 749 489	2 954 629
Housing expenditure	-	1 045 150
Indigent subsidy	15 299 932	4 554 144
ICT services	808 374	594 043
Insurance	689 356	590 215
Municipal Systems Expenditure	752 724	269 129
Lease rentals on operating lease	3 027 454	3 083 059
Levies	14 056	10 223
Licence fees	171 730	191 215
Subscription & Publication	1 448 462	1 190 191
Other expenses	10 359 002	7 231 905
Contribution to doubtful fines	681 957	8 401 380
Allowance for debt impairment	3 102 131	2 780 445
Postage and courier	528 656	366 309
Printing and stationery	183 777	199 286
Assets written off	2 904 295	7 278 312
Rental of buildings	303 468	283 642
Security (Guarding of municipal property)	2 712 355	1 886 293
Stocks and materials	881 110	698 847
Telephone and fax	1 732 568	1 635 609
Training	439 686	480 605
Transport claims	78 889	313 869
Travel - local	1 239 130	510 265
Uniforms	1 265 587	1 276 373
Valuation costs	157 895	187 237
	61 643 109	57 285 316

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
32. Repairs and maintenance		
Vehicles	1 964 464	771 948
Office equipment	37 307	-
Computer equipment	37 636	92 958
Buildings	1 181 701	628 439
Sports field and parks	556 143	430 510
Roads and pavements	2 940 013	3 160 041
Electricity network	1 548 458	1 009 511
Machinery	23 166	-
	8 288 888	6 093 407

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
33. Cash generated from operations		
Surplus	34 094 132	51 739 066
Adjustments for:		
Depreciation and amortisation	40 479 893	50 540 999
Loss sale of assets and liabilities	(288 376)	35 682
Fair value adjustments	(768 157)	(748 486)
Debts written off	529 800	-
Movements in retirement benefit assets and liabilities	-	3 105 662
Movements in provisions	(1 795 411)	(2 209 931)
Non-cash movements	2 258 363	-
Non cash movements	-	304 106
Other changes and movements	-	(84 456)
Correction of creditor accruals	-	56 000
Assets written off	2 904 295	7 278 360
Correction of leave pay	-	(142 785)
Correction of creditors adjustments	-	26 307
Correction of duplicate creditors	-	144 201
Changes in working capital:		
Inventories	(177 123)	(52 671)
Trade and other receivables from exchange transactions	(8 874 991)	(11 623 917)
Other receivables from non-exchange transactions	(5 367 727)	(3 331 546)
Prepayments	88 840	66 817
Payables from exchange transactions	8 897 633	(328 334)
VAT	1 634 156	1 394 861
Unspent conditional grants and receipts	(954 393)	1 663 110
Consumer deposits	188 644	(11 623)
Deferred income	841 145	151 723
	73 690 723	97 973 145

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
34. Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure.		
Opening balance	213 705	493 315
Current year expenditure	146 670	213 705
Condoned or written off by council	-	(493 315)
Fruitless and wasteful expenditure awaiting condonement	360 375	213 705

Fruitless and wasteful expenditure consists of :

Department of Labour	50 578	-
Eskom interest	505	27 408
MCPF penalty interest	265	-
NJMPF penalties	2 310	-
SARS penalties	76 076	-
HGM	-	11
DOT	-	182 631
Telkom	16 936	3 655
	146 670	213 705

35. Additional disclosure in terms of Municipal Finance Management Act

35.1 Contributions to organised local government

Current year subscription / fee	889 280	951 892
Amount paid - current year	(889 280)	(951 892)
	-	-

35.2 Award to close family member

The following employee Sibukosezwe King was disclosed a close family member to the director of Derek's Fibre & Data the company was awarded for an amount of R26 920

35.3 Audit fees

Current year subscription / fee	2 027 874	1 384 269
Amount paid - current year	(2 027 874)	(1 384 269)
	-	-

35.4 PAYE, UIF & SDL

Current year subscription / fee	12 463 453	11 263 413
Amount paid - current year	(12 463 453)	(11 263 413)
	-	-

35.5 Pension and Medical Aid Deductions

Current year subscription / fee	21 714 399	11 433 925
Amount paid - current year	(21 714 399)	(11 433 925)
	-	-

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
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35. Additional disclosure in terms of Municipal Finance Management Act (continued)

35.6 Councillors' arrear consumer accounts

No Councillors had arrear accounts outstanding at 30 June 2016.

36. Commitments

Approved and contracted for

• Infrastructure	1 527 978	22 352 385
• PPE	1 621 879	-
• Community	6 215 030	11 416 243
	9 364 887	33 768 628

This expenditure will be financed from:

• Government grants	1 923 830	22 864 461
• Own Resources	7 441 057	10 904 167
	9 364 887	33 768 628

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	118 800	432 000
- in second to fifth year inclusive	-	475 200
	118 800	907 200

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. Leases are negotiated for an average term of two years, rentals are fixed for an average of two years and could be reviewed based on performance for a further period of one year. No contingent rent is payable.

37. Events after the reporting date

National Treasury concluded that amount of R 2 831 500 remains unspent and should be repaid to the NRF. The unspent amount is in respect to the Energy Efficiency and Demand Side Management Grant

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
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38. Financial instruments disclosure

Categories of financial instruments

2016

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	34 585 431	34 585 431
Other receivables from non-exchange transactions	-	10 236 789	10 236 789
Cash and cash equivalents	88 367 345	-	88 367 345
	88 367 345	44 822 220	133 189 565

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	37 265 680	37 265 680
Consumer deposits	4 143 302	4 143 302
Finance lease obligation	1 090 983	1 090 983
	42 499 965	42 499 965

2015

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	27 717 626	27 717 626
Other receivables from non-exchange transactions	-	6 093 192	6 093 192
Cash and cash equivalents	52 715 848	-	52 715 848
	52 715 848	33 810 818	86 526 666

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	30 193 540	30 193 540
Finance lease obligation	5 367 974	5 367 974
Consumer Deposit	3 954 658	3 954 658
Long term borrowings	1 388 078	1 388 078
	40 904 250	40 904 250

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
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Financial instruments disclosure (continued)

Financial instruments in Statement of financial performance

2016

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	5 711 571	5 711 571
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	(803 936)	(803 936)
	4 907 635	4 907 635

2015

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	1 995 639	1 995 639
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	(2 420 750)	(2 420 750)
	(425 111)	(425 111)

39. Fair value adjustments

Investment property (Fair value model)	768 157	748 486
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40. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 30 June 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	490 607	-	-	-
Finance lease obligation	1 913 605	1 090 983	-	-
At 30 June 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	897 472	490 607	-	-
Finance lease obligation	2 346 957	3 021 017	-	-

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
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40. Risk management (continued)

Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

41. Electricity losses

2016

The municipality has identified electricity losses in units 7 813 709.12 with an estimated value of R 7 012 803.94.

2015

The municipality has identified electricity losses in units 3 950 945.75 with an estimated value of R 2 809 517.55.

42. Irregular expenditure

Opening balance	2 167 062	2 040 086
Add: Irregular Expenditure - current year	5 869 614	2 167 062
Less: Amounts condoned	-	(2 040 086)
	8 036 676	2 167 062

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
42. Irregular expenditure (continued)		
Details of irregular expenditure – current year		
Nashua	-	39 138
CICS	-	49 815
Kokstad Sheriff	-	23 239
Mdledle Incorporated	-	67 047
ZMS Management Solutions	-	116 585
Zethembe Maintenance and General Services CC	-	1 586 238
Protea Consulting	2 488 075	285 000
Alfred Nzo Technologies-Crusher Run and Crusher dust	237 720	-
SMG Development (Pty) Ltd- Bulk Bitumen	187 000	-
Ultimate Recruitment Solutions	306 851	-
CHM fleet services	526 928	-
MIC Training	295 260	-
BSA Consulting	193 889	-
Auntless Trading	24 000	-
EMERALD FIRE TRADING	177 560	-
Hambakahle Pty Ltd	86 728	-
Shaaazi signs (Pty)Ltd	44 130	-
EMERALD FIRE	53 560	-
Zuko Trading	21 700	-
Azola Amahlubi Construction	178 400	-
Gazilion Civil	55 000	-
Oskido's Trading and Projects	99 000	-
Musanda/ R & G Consultants	704 805	-
WORK DYNAMICS	31 208	-
IT Careers (Pty) Ltd	130 000	-
Aphola Trading	27 800	-
	5 869 614	2 167 062

43. SCM DEVIATIONS

Emergencies	142 134	68 645
Single providers	401 445	146 265
One Quotation	-	7 604
Other Deviation	-	435 380
	543 579	657 894

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

2016 R	2015 R
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44. CONTINGENT LIABILITIES

Jurgens Johannes Backer & Ano vs Greater Kokstad Municipality

A claim for unfair valuation on property was lodged is still under investigation and is to be heard on the 12 of October 2016 at the Magistrate Court for an unknown amount.

Erf 60 Cebo Matshayana vs Greater Kokstad Municipality

A claim to remove a part of municipal buliding on his portion of land for an unknown amount.

Torgos vs Greater Kokstad Municipality.

Torgos is claiming R1.5 million for damages and performance arising out of breach of contract.

Ms N Ndevu vs Greater Kokstad Municipality.

Instruction to institute civil action in Magistrates court for an amount of R20 000 for unfair dismissal.

FEZ Building Construction vs Greater Kokstad Municipality.

Fez Building Construction is claiming R700 000 for damages arising out of breach of contract.

M.R. Revie T/A Beekman Construction/Dept of Human Settlements, Greater Kokstad Municipality & 10 others.

Application for an interdict restraining the Municipality from giving effect to a tender pending review proceedings was successfully opposed and eventually withdrawn, amounting to R20 000.

S Matshingane vs Greater Kokstad Municipality.

A claim for an amount of R50 000 for an unfair dismissal and is still progress

Sibongile Shozi vs Greater kokstad Municipality

Sibongile shozi is claiming R50 000 for unfair dismissal, the matter is still under review

P.Z Mngweba vs Greater Kokstad Municipality

P.Z Mngweba is claiming R50 000 for unfair dismissal, the matter is still under review

45. Budget differences

Material differences between budget and actual amounts

1. Property rates - Due to implementation of a supplementary roll.
2. Fines - Budgeted based on collection rate and not fines raised.
3. Licences and permits - Decline due to the number of bookings of tests declining.
4. Rentals of facilities and equipment - GKM improved its leasing procedures leading to an increase in rentals collected.
5. Interest earned -External investments - Due to expenditure control measures less expenditure was incurred resulting in an increase in investments thus resulting in interest from external investments.
6. Interest earned -outstanding debtors - There was a decline in the collection rate thus resulting in an increase interest charged to consumers.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
45. Budget differences (continued)		
7. Employee Cost - A decline in expenditure was due to a significant increase in resignations.		
8. Depreciation - A number of assets are coming to an end of their useful lives, also previous year some municipal assets were impaired.		
9. Finance Charges - Finance charges payable decreased due to a number of vehicle loans maturing.		
46. Prior period errors		
Invoices were duplicated in the prior years.		
Movable assets were incorrectly sitting under WIP.		
The correction of the error(s) results in adjustments as follows:		
Statement of financial position		
Property, plant and equipment	-	(35 195)
Other PPE	-	355 308
Trade payables	-	634 877
Investment Property	-	34 612 800
Land and Buildings	-	54 648 600
Creditor accruals	-	(56 000)
Change in estimate	-	250 457
VAT Payable	-	33 970
Correction of other PPE	-	(605 765)
Recognition of Investment Property	-	(6 440 700)
Recognition of vacant land	-	(24 051 700)
Recognition of Land and Buildings	-	(55 841 600)
Adjustment of fair value	-	(4 120 400)
Derecognition of Land and Buildings	-	833 000
Duplicate creditors	-	(144 201)
Creditors adjustment	-	(26 307)
Suspense account	-	(7 894)
Correction of repairs and maintenance	-	3 527 292
Other PPE	-	10 914
Credit notes	-	(434 442)
Leave pay provision	-	142 785
	-	3 285 799
Statement of Financial Performance		
Depreciation	-	119 896
Employee costs	-	(142 785)
	-	(22 889)

47. Change in estimate

Property, plant and equipment

The municipality had fully depreciated assets still in use and the management has revised the useful life of these assets which has resulted in the reversal of the accumulated depreciation. The effect of this revision has increased the depreciation charges for the current and future periods by R 250 457

GREATER KOKSTAD MUNICIPALITY
APPENDIX A (NON-AUDITABLE)
SCHEDULE OF EXTERNAL LOANS FOR THE ENDED 30 JUNE 2016

EXTERNAL LOANS				Balance at 30 June 2015	Received during the period	Redeemed / written off during the period	Balance at 30 June 2016	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA
Loan number Redeemable Date									
LONG-TERM LOANS									
INCA - R 5,800,000.00	12.26%	934-528050	30/06/2016	1 388 078	-	(897 472)	490 606		
Total long-term loans					-	-	-		
TOTAL EXTERNAL LOANS				1 388 078	-	(897 472)	490 606		
Short term portion of Long term Loans									
Dec 16				490 606.00			490 606.00		
				490 606.00			490 606.00		

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Supplementary Information

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Supplementary Information

GREATER KOKSTAD MUNICIPALITY APPENDIX B (NON-AUDITABLE) ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2016											
COST / REVALUATION							ACCUMULATED DEPRECIATION				
Opening Balance	Additions	Under Construction	Other Changes and movements	Disposals	Transfers	Closing Balance	Opening Balance	Additions	Depreciation	Other Changes and movements	Closing Balance
Land and Buildings	125 726 488	-	-	-	856 300	126 582 788	-84 983 552	-	-1 588 892	-	-86 572 444.00
Infrastructure	540 551 613	-	15 956 581	-	-	15 956 581	-237 389 628	-	-31 487 062.00	-	-268 876 690
Community Assets	121 661 331	-	34 582 147	-	-	34 582 147	-88 026 127	-	-2 887 125	-	-90 913 252
Assets under Construction	97 453 096	31 367 698.00	-	-	-50 574 883	78 245 911	-	-	-	-	-
Other Assets	23 459 424	1 531 147	-	-	-	24 990 571	-17 201 590	-	-2 483 407	3 227 894	-16 457 103
Motor Vehicles	8 213 254	526 928	-	-	-	8 740 182	-5 831 214	-	-1 126 978	-	-6 958 192
	917 065 206	33 425 773	-	50 538 728	-49 718 583	289 098 180	-433 432 111	-	-39 573 464	3 227 894	-469 777 681
Investment Property	-	-	-	-810 514	-	-810 514	-	-	-	-	-
Heritage	1 226 325	6 000	-	-	-	6 000	-	-	-	-	-
Intangible assets	2 180 556	-	-	-	-	-	-1 980 908	-	-160 538	-	-2 141 446

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Supplementary Information

2012/2013	Opening Balance	Additions	Other changes or movements	Disposals/Transfers	Impairment	Closing Balance
Buildings	#REF!	-	-	856 300	####	#REF!
Infrastructure	#REF!	-	-	-	####	#REF!
Community Assets	#REF!	-	-	-	####	#REF!
Assets under Construction	#REF!	31 367 698	-	-50 574 883	-	#REF!
Other Assets	#REF!	1 531 147	-	-	####	#REF!
Motor Vehicles	#REF!	526 928	-	-	####	#REF!
	#REF!	33 425 773	-	-49 718 583	####	#REF!

2011/2012	Opening Balance	Additions	Other changes or movements	Disposals/Transfers	Impairment	Closing Balance
Buildings	49 623 409	396 310	-	-	####	48 017 599
Infrastructure	283 513 544	17 817 931	-	-	####	270 313 665
Community Assets	27 239 353	9 633 935	-	-	####	34 771 910
Assets under Construction	17 260 834	29 286 338	-	(28 557 890)	-	17 989 282
Other Assets	7 885 403	5 903 504	1 170 195	(235 066)	####	11 547 387
Motor Vehicles	2 269 928	4 164 311	-	(15 950)	####	4 371 778
	387 662 471	67 202 329	1 170 195	-28 808 906	####	387 011 621

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Supplementary Information

Carrying Value
40 010 344
-252 920 109
-56 331 105
78 245 911
8 533 468
1 781 990
-180 679 501
-810 514
6 000
-2 141 446

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Supplementary Information

* See Note 46

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Supplementary Information

GREATER KOKSTAD MUNICIPALITY APPENDIX B (NON-AUDITABLE) ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2015

2015	ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2015								ACCUMULATED DEPRECIATION					
	COST / REVALUATION													
	Opening Balance	Additions	Under Construction	Assets fair valued	Assets Donated	Disposals	Transfers	Closing Balance	Opening Balance	Additions	Disposals	Impairment	Closing Balance	Carrying Value
Land and Buildings	125 726 488	-				-		125 726 488	-	-	-	-1 902 120	-1 902 120	123 824 368
Infrastructure	713 047 792	18 016 242	-					731 064 034	-419 162 709	-	-	-31 778 446	-450 941 155	280 122 880
Heritage Assets	1 226 325							1 226 325	-	-	-		-	1 226 325
Community Assets	104 889 573	9 633 935	-				-	114 523 508	-77 650 221	-		-2 101 378	-79 751 599	34 771 909
Assets under Construction	17 260 834	31 217 628					-28 672 157	19 806 305	-				-	19 806 305
Other Assets	19 901 721	10 043 200				-5 084 912	-	24 860 008	-9 830 950	-	4 833 899.10	-5 201 524	-10 198 575	14 661 433
	982 052 733	68 911 004	-	-	-	-5 084 912	-28 672 157	1 017 206 669	-506 643 880	-	4 833 899	-40 983 468	-542 793 449	474 413 220

* See Note 46